

having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, and 3, and agree to the same.

H. L. MYERS,  
C. S. THOMAS,  
REED SMOOT,  
*Managers on the part of the Senate.*

SCOTT FERRIS,  
EDWARD T. TAYLOR,  
BURTON L. FRENCH,  
*Managers on the part of the House.*

The report was agreed to.

#### RESERVATION OF PUBLIC LANDS.

Mr. MYERS. Before the motion for an executive session is made I desire to state that the conferees appointed upon the bill (S. 657) to authorize the reservation of public land for country parks and community centers within reclamation projects in the State of Montana, and for other purposes, were Senators MYERS, SMITH of Arizona, and SMOOT. The Senator from Arizona [Mr. SMITH] has gone away and will be gone some weeks. Before he left he told me he could not serve as one of the conferees and that he would like to be relieved and have some one else appointed in his place. Therefore I ask unanimous consent that the Senator from Arizona [Mr. SMITH] be relieved from further service on the conference and that the Senator from Nevada [Mr. PITTMAN] be substituted in his stead.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

#### OPTIMISM AND OPPORTUNITY.

Mr. MARTINE of New Jersey. Mr. President, I understand it is the purpose of the leader, the Senator from Indiana [Mr. KERN], to move that we go into executive session. Just previous to that I ask the unanimous consent of the Senate that I may read a very short article. It will take me but a minute, and I should like to have it go into the Record.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey? The Chair hears none.

Mr. MARTINE of New Jersey. I beg to say as a preface to that which I shall read that these are troublesome times throughout the world. We are wont too often to bewail our lot. I feel it is most refreshing and sustaining in these days to read and spread before the country the sentiments which I find in a daily newspaper. They are from a most extensive and responsible firm.

#### OPTIMISM AND OPPORTUNITY.

As we said in our advertisement of August 16, "It is very good these days to be an American."

During this month our country has encountered a trying experience in which our finances, our foreign trade, and even our domestic business have been disturbed by the sudden and tremendous wars in our ancestral countries.

Yet we are coming out of it well.

The President, with his Cabinet and the Congress and the cooperation of bankers and business men called to Washington for the purpose, have promptly and nobly met the emergency by sensible rulings and wise laws, which will largely free our industries and commerce from restraint.

They have arranged for the issuance of emergency currency, through amendment of the Aldrich-Vreeland law, under which national banks can obtain all the currency needed for legitimate business.

They have organized the Federal Reserve Board which will insure the opening of the 12 new Federal reserve banks inside of 60 days, thus giving ample banking facilities for business to every section of our country.

They have amended the ship-registry laws so that American capital will buy foreign ships, which together with the large number of ships already owned by Americans will fly the flag of the United States and furnish ample carrying capacity for our foreign trade.

They have opened the Panama Canal, and thus provided shorter routes for our commerce with South America, Australia, and the Far East.

They have under consideration a plan of financing the surplus cotton crop, so that our southern planters will be enabled to hold their cotton until normal markets are restored.

The Studebaker Corporation, with its 62 years of business experience, its thousands of employees, and its millions of capital invested appreciates the patriotic work that has been done and the opportunities thereby afforded.

Speaking from our experience and immediate forecast of possibilities, we feel cheerful and optimistic over the outlook for profitable business and steady employment of labor with increasing developments of foreign trade in neutral countries.

America is to-day the clearing house of the world.

The great nations of the earth are depending upon the integrity of her friendship, the safety and soundness of her diplomacy, the extensiveness of her trade, and the soundness of her finance.

It is a time for Americans to show their optimism, their patriotism, and their aggressive earnestness.

The foundations of our national prosperity have been laid too deep and too strong to be seriously disturbed even by so great a catastrophe as the war of all Europe.

We regret deeply and sincerely that the war must be, yet we are in nowise to blame and are happily far removed from the theater of activities.

Friendship we feel for all, and toward all we must remain in both thought and action entirely neutral.

Our duty to ourselves and our moral obligation to the rest of the world compel us Americans to be up and doing, to maintain a cheerful and hopeful spirit, to operate our industries and enterprises, to pay our bills as usual, and to conduct our affairs generally on conservative but enthusiastic lines.

This is from the great firm of South Bend, Ind.—the Studebaker Corporation. I feel it should commend itself to every American citizen, regardless of what may be his political affiliation.

Mr. GALLINGER. It is a very fine advertisement, and I think it is proper that Studebaker should have the benefit of having it circulated in the CONGRESSIONAL RECORD.

Mr. MARTINE of New Jersey. I offer it with no spirit to advertise the Studebaker concern or any other concern, but I realize, as the Senator from New Hampshire must, that where there is a disposition in some sections of our country and on the part of some individuals—I would not lay it to the distinguished Senator from New Hampshire—to cry "mad dog," a firm of that character, issuing sentiments of that kind, should at least have the credit of being patriotic.

Mr. GALLINGER. I think they will sell more wagons and automobiles.

Mr. MARTINE of New Jersey. I do not care whether it has that effect or not; and the sentiment is good, whether the Senator approves it or not.

#### LEAVE OF ABSENCE.

Mr. KERN. Mr. President, I regret to be obliged to ask the Senate for a leave of absence for myself until next Monday or Tuesday, on account of illness in my family.

The PRESIDING OFFICER. The Senator from Indiana asks unanimous consent for leave of absence until Monday or Tuesday of next week. Is there objection. The Chair hears none.

#### EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After 3 hours and 15 minutes spent in executive session, the doors were reopened.

#### RECESS.

Mr. KERN. I move that the Senate take a recess until tomorrow at 11 o'clock a. m.

The motion was agreed to; and (at 6 o'clock p. m., Friday, August 28, 1914) the Senate took a recess until to-morrow, Saturday, August 29, 1914, at 11 o'clock a. m.

#### CONFIRMATIONS.

*Executive nominations confirmed by the Senate August 28 (legislative day of August 25), 1914.*

#### POSTMASTERS.

##### ARIZONA.

C. B. Wood, Phoenix.

##### MICHIGAN.

Thomas H. Sawher, St. Clair.

##### OHIO.

A. A. Lathrop, Swanton.

#### HOUSE OF REPRESENTATIVES.

*Friday, August 28, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, we thank Thee that there are so many good hearts and true in this old world of peace and turmoil, victories and defeats, doubts and uncertainties, joys and sorrows, for which we for the most part are responsible. "Man's inhumanity to man makes countless thousands mourn." Hence, we most fervently pray for more strong, pure, noble, generous, true, brave hearts, that we may have less war, more peace; less hate, more love; less criminations and recriminations, more charity and brotherly kindness, that the old world may rejoice in the things which make for righteousness. In the spirit of the Master. Amen.

The SPEAKER. The Clerk will read the Journal.

Mr. BUTLER. Mr. Speaker, I desire that a quorum may be present here this morning.

The SPEAKER. The gentleman from Pennsylvania makes the point that there is no quorum present, and evidently there is not. The Clerk will call the roll.

Mr. UNDERWOOD. Did I understand that the point of no quorum has been made, Mr. Speaker?

The SPEAKER. Yes.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House, and on that I demand a division.

The motion was agreed to.

The House divided; and there were—ayes 63, noes none.

The SPEAKER. The ayes have it. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

Adair	Eagle	Hinds	Plumley
Aiken	Elder	Hinebaugh	Porter
Alney	Esch	Hobson	Post
Ansberry	Estoplinal	Hoxworth	Powers
Anthony	Fairchild	Hulings	Rainey
Aswell	Faison	Johnson, Ky.	RJordan
Austin	Finley	Jones	Rogers
Barchfeld	Fitzgerald	Kent	Rubey
Barkley	Flood, Va.	Kless, Pa.	Sabath
Bartholdt	Foster	Kindel	Shackelford
Bartlett	Fowler	Kirkpatrick	Sherley
Beall, Tex.	Francis	Knowland, J. R.	Smith, Md.
Bell, Ga.	Gardner	Lafferty	Smith, N. Y.
Brown, N. Y.	George	Lazaro	Smith, Tex.
Browne, Wis.	Gill	L'Engle	Stanley
Browning	Glass	Lenroot	Steenerson
Brumbaugh	Geeke	Lewis, Pa.	Stevens, N. H.
Calder	Gordon	Linthicum	Stout
Carter	Graham, Ill.	Loft	Stringer
Church	Graham, Pa.	McGillcuddy	Switzer
Cooper	Griest	McKenzie	Taggart
Copley	Guernsey	Mahan	Townsend
Covington	Hamill	Martin	Underhill
Crisp	Hamilton, Mich.	Merritt	Vare
Decker	Hardwick	Morgan, La.	Wallin
Dies	Hart	Mott	Watkins
Dillon	Hayes	Murdock	Whaley
Dooling	Heflin	Padgett	Whitacre
Doolittle	Hensley	Palme, Mass.	Wilson, N. Y.
Dupré	Hill	Peters	Winslow

The SPEAKER. On this roll call 311 Members have answered to their names—a quorum. [Applause.]

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors, and the Clerk will read the Journal.

The Journal of the proceedings of yesterday was read and approved.

#### ORDER OF BUSINESS.

Mr. UNDERWOOD. Mr. Speaker, next Monday is the fifth Monday of the month. The Unanimous Consent Calendar is far behind. I am hoping it will not be many Mondays before we get an adjournment. I rise for the purpose of asking unanimous consent that business that is in order on the first and third Mondays of the month may be in order on next Monday, so that the Unanimous Consent Calendar can be taken up.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] asks that on next Monday, which is the fifth Monday, business that is in order on the first and third Mondays shall be in order. Is there objection?

Mr. MANN. I object, Mr. Speaker.

The SPEAKER. The gentleman from Illinois [Mr. MANN] objects.

Mr. MOON, Mr. GARRETT of Tennessee, and Mr. RUSSELL rose.

The SPEAKER. The Chair will first recognize the gentleman from Tennessee [Mr. MOON].

#### POSTAL SAVINGS SYSTEM.

Mr. MOON. Mr. Speaker, I call up for consideration the conference report on the bill (H. R. 7967) to amend the act approved June 25, 1910, authorizing a postal savings system.

The SPEAKER. The Clerk will report it.

The Clerk read the title of the bill, as follows:

A bill (H. R. 7967) to amend the act approved June 25, 1910, authorizing a postal savings system.

Mr. MOON. Mr. Speaker, I ask that the conference report be read.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

#### CONFERENCE REPORT (NO. 1108).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H. R. 7967, having met, after full and free conference have

agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 4 and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: Insert in lieu of the words "but the balance to the credit of any person, exclusive of accumulated interest, shall not exceed \$1,000" the following: "but the balance to the credit of any person, upon which interest is payable, shall not exceed \$500, exclusive of accumulated interest"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: Insert in lieu of the words "Provided, That no interest shall be paid on such part of the balance to the credit of any person as is in excess of \$500" the following: "Provided, That the board of trustees may, in its discretion, and under such regulations as such board may promulgate, accept additional deposits not to exceed in the aggregate \$500 for each depositor, but upon which no interest shall be paid"; and the Senate agree to the same.

JOHN A. MOON,

S. W. SMITH,

Managers on the part of the House.

JOHN H. BANKHEAD,

N. P. BRYAN,

JOSEPH L. BRISTOW,

Managers on the part of the Senate.

Mr. MOON. Mr. Speaker, I ask that the Clerk read the accompanying statement.

The SPEAKER. The Clerk will read the statement.

The Clerk read the statement, as follows:

#### STATEMENT.

Amendment No. 1, to strike out words in line 5, "provides that," and insert the words "reads," "but," is a mere change in phraseology and is agreed to by the House managers.

The second amendment is agreed to with an amendment, as shown in the report. The effect of this amendment is to limit the deposit of any one person to a thousand dollars, exclusive of accumulative interest.

The third amendment is agreed to with an amendment, the effect of which is to limit payment of interest on deposits by any one person to the amount of \$500, but authorizes the board of trustees to receive an additional \$500 from such person, upon which no interest shall be paid.

The fourth amendment is agreed to. It amends a portion of section 9 of the postal saving act, Public Law No. 263, by reenactment of that section, leaving out that part which provides that "not exceeding 30 per cent of the amount of postal funds may at any time be withdrawn by the trustees for investment in bonds or other securities of the United States," and so on, and inserting "when in the judgment of the President war or other exigencies involving the credit of the United States so requires, the board of trustees may invest all or any part of the postal savings fund, except the reserve fund of 5 per cent herein provided for, in bonds or other securities of the United States," and so on. This amendment also provides that postal savings funds may be deposited in solvent National or State banks, whether member banks or not of a reserve bank created by the Federal reserve act, approved December 23, 1913. This last-named act is construed to require all postal savings deposits to be placed in a bank that is a member of a reserve bank. This provision would therefore operate to that extent as a repeal of that part of the Federal reserve act which requires deposits to be placed in a reserve bank. The main purpose of the creation of a Postal Savings System was to draw money out of hiding by giving the control of it, on deposit, to the Government and rendering the depositors safe and retaining the fund as far as practicable in solvent banks in the community where it was collected. There are many localities where there are no banks that are members of the reserve banks. Money deposited in the Postal Savings System in such places would have to be removed, perhaps a great distance from the localities where it was collected, and taken to a reserve bank to be deposited. If this section does not become a law. This, we think, would be unfair, both to the people in such localities and the Postal Savings System, and we therefore recommend the adoption of the conference report.

JOHN A. MOON,

S. W. SMITH,

Managers on the part of the House.



The SPEAKER. The question is on agreeing to the conference report.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield some time?

Mr. MOON. I will yield after I have made a short statement myself.

The SPEAKER. The gentleman from Tennessee [Mr. Moon] is recognized for one hour.

Mr. MOON. Mr. Speaker, the postal savings bank was created and went into operation in 1911. It has been very difficult on the part of the department to get the system into full and effective operation so as to prevent loss to the Government. There was a considerable loss for the first two years, but I am advised now that the postal savings bank is running at a slight profit.

The trouble that this special department of the Postal System has had has arisen from the limitations that have been placed upon the right of depositors to deposit money in the banks. The purpose of the bill that is now before the House on the conference report is to raise the limit. The House suggested that all limit be taken away on deposits on which no interest should be paid except the sum of \$1,000. The Senate does not agree to that and has offered a proposition of \$500 instead of \$1,000 upon which interest may be paid, with the provision that the trustees may, in their discretion, under such general rules as they may promulgate, accept \$500 more by a single depositor, without interest. After considerable conference and discussion of the matter, in the interest of the service the House managers agreed to it, because it is a policy that looks to the ultimate perfection of the system and is designed to make it not only self-sustaining but, in a manner, remunerative to the Government. It was not just what we wanted, but it was the best we could get.

Under the Federal reserve bank act it was provided that all funds of the postal savings banks should be placed in some reserve bank or member bank in the reserve system. An amendment was offered that provides a repeal, so far as that provision of the Federal reserve bank act is concerned, so as to enable deposits to be placed not only in reserve banks, but in State banks, trust companies, and savings banks that do not belong to that system. The conference committee thought that that was just both to the localities where the money was collected and to the proper operation of the system, and reported in favor of accepting that amendment.

Now there are on deposit—and I give round figures as of date July 31—about \$45,000,000, which has been gathered up and placed in the postal savings bank upon which the Government is paying 2 per cent interest and loaning the money under the provisions of that law at 2½ per cent. There are 397,000 of these postal savings depositors in the United States. The postal savings fund deposits are at the present time in 3,600 national banks and 3,100 State banks, savings banks, and trust companies. The State banks, savings banks, and trust companies hold about \$17,000,000 of these deposits. The balance is in national banks. The average deposit in all banks is about \$100. Five hundred and eighty thousand dollars of postal savings bonds have been redeemed by the Board of Trustees at the request of the owners. The total postal savings bonds issued under the provisions of the act are about \$5,000,000 in all.

The department is of the opinion from the various communications that have been received from the postmasters of the United States who have charge of these depositaries that these deposits will be very greatly enlarged if the limit is taken off, as provided in this conference report.

Mr. HOWARD. Mr. Speaker, will the gentleman yield for a question, if it will not break the continuity of his talk?

The SPEAKER. Does the gentleman from Tennessee yield to the gentleman from Georgia?

Mr. MOON. Yes.

Mr. HOWARD. On how much is interest paid?

Mr. MOON. On not over \$500.

Mr. HOWARD. Not over \$500, and no one person is allowed to deposit over \$1,000 under any conditions?

Mr. MOON. Interest can not be paid on over \$500 to any one person, and the deposit may exceed that by \$500 more. It involves the keeping of two accounts—an interest-bearing account and a noninterest-bearing account.

Mr. HOWARD. Will the gentleman please state to the House, for its information, how much was appropriated for the maintenance of the system for this fiscal year? For the present fiscal year was it not \$800,000?

Mr. MOON. I do not recollect the precise figures, but that is near it.

Mr. HOWARD. Then the Government is really losing under this system, whereunder \$45,000,000 of deposits are held, a sum equivalent to \$375,000 this year?

Mr. MOON. The Government was losing up to six months ago, when the figures were \$350,000, but now the savings banks are running at a slight profit, owing to the changes, and possibly making a profit of \$100,000.

Mr. HOWARD. I was trying to conjure in my mind how they could arrive at that conclusion, when one-half of 1 per cent on \$45,000,000 would not be anything like the amount appropriated for the maintenance of the system this year.

Mr. MOON. It will be arrived at by an estimate of the cost of the maintenance and operation of the system. We have not as yet any details, and therefore can not give it in detail.

Mr. BORLAND. Will the gentleman yield for a question?

Mr. MOON. I yield to the gentleman from Missouri.

Mr. BORLAND. I would like to ask the gentleman whether the banks are taking this money pretty rapidly from the postal savings bank?

Mr. MOON. The banks heretofore have not been very eager to take this money, but in the last few months they are making more demands than the department can supply.

Mr. BORLAND. Is not the opportunity coming pretty soon to raise the rate from 2½ to 3 per cent and make the system pretty nearly self-supporting?

Mr. MOON. It is possible that that opportunity will come later on. It is not reported, however, in this measure before the House. When you come to consider the fact that this money is loaned to banks at a profit of one-half of 1 per cent, and that the banks have to go out and buy the collateral and put it up with the Government, and that the Government has the right to call this money at will, and that there is no risk in these loans made by the Government to the banks, it will clearly appear that 2½ per cent interest will possibly pay the Government more than if the machinery were provided by which this sum could be loaned to individuals through the country at even 3 or 3½ per cent.

Mr. BORLAND. The withdrawals from the postal funds are not very numerous, are they—less than they would be from an ordinary banking account?

Mr. MOON. Not so much as they would be from an ordinary banking account, because they are put there for the purpose of saving.

Mr. BATHRICK. Will the gentleman yield?

Mr. MOON. I yield to the gentleman from Ohio.

Mr. BATHRICK. In this bill it is set forth that the interest shall not be less than 2½ per cent. Does the gentleman believe that a lower rate of interest will be paid by the banks to this Postal Savings System?

Mr. MOON. The interest that is actually paid to the Government is 2½ per cent.

Mr. BATHRICK. I know; but the bill says that the interest paid by the banks to the Government shall not be less than 2½ per cent.

Mr. MOON. Two and one-half per cent is actually paid.

Mr. BATHRICK. Is any less rate than 2½ per cent paid by the banks now?

Mr. MOON. No.

Mr. BATHRICK. Why does it say 2½ per cent in this bill if 2½ per cent is actually paid?

Mr. MOON. That was just the discretion that was allowed in the act. The department in the execution of the act exacts 2½ per cent.

Mr. BATHRICK. Was that the discretion allowed in the original act?

Mr. MOON. Yes; that was my recollection.

Mr. BATHRICK. It was 2½ per cent in the original act?

Mr. MOON. Yes.

Now, Mr. Speaker, I do not desire to take up the time of the House in the discussion of some other features connected with this matter, but this is a question of considerable interest to the membership of the House, and I have prepared here some matter that I will ask to place in the RECORD, so that those who want to study this system in comparison with the systems of other countries may do so. I will first put in the RECORD the following statement of the disposition made of the deposits in the postal savings banks of the British Empire:

#### DISPOSITION MADE OF THE DEPOSITS IN THE POSTAL SAVINGS BANKS OF THE BRITISH EMPIRE.

United Kingdom: Remitted to head office for reduction of national debt.

New Zealand: Principally invested in Government securities.

New South Wales: Invested in national securities of New South Wales or of any other State in the Commonwealth, debentures specified, etc.

Western Australia: Invested either at fixed deposit with any one of the incorporated banks in Western Australia or loaned to the agricultural bank or for the purchase of Government securities.

Tasmania: Invested in Government securities.

British India: Invested in Government cash balances (Journal Royal Statistical Society, 1897).

Ceylon: Invested in securities of the Governments of the United Kingdom, India, and Ceylon, and such other British colonies as are approved of by the governor in council.

Straits Settlements: Invested in same way as trustee funds—in first-class securities.

Federated Malay States: Deposited with director posts and telegraphs and carried to a separate account.

Canada: Remitted to the postmaster general at Ottawa.

British Guiana: Invested in Government bonds, principally of the British colonies.

Bahamas: Generally invested in approved securities in England, but may be invested locally by governor in council.

Cape of Good Hope: Invested in government stock and treasury bills or in such manner as the governor will approve or require.

Transvaal: Remitted to department of finance for investment.

Orange River Colony: Administered by the treasury.

Sierra Leone: Paid into the colonial treasury for investment in securities yielding interest as the secretary of state (London) may name.

Southern Rhodesia: Invested in trustee stocks.

Gold Coast: Invested in guaranteed securities.

I place this in the RECORD, so that there may be comparison of that with our own. Then I place in the RECORD a statement of the rate of interest, the maximum deposits, the maximum amount drawing interest, and the limitation on the amount deposited for a week, month, or year in the United Kingdom, New Zealand, Canada, Italy, Belgium, Russia, the Netherlands, Hungary, Sweden, Egypt, France, Austria, Japan, Bulgaria, and the Philippine Islands:

Country.	Rate of interest (per cent).	Maximum deposit.	Maximum amount drawing interest.	Limitation on amount deposited per week, month, or year.
United Kingdom.....	2½	\$973.30	\$973.30	(1)
New Zealand.....	3 and 3½	No limit.	(7)	None.
Canada.....	3	3,000.00	3,000.00	(2)
Italy.....	(4)	No limit.	772.00	(2)
Belgium.....	2 and 3	No limit.	(5)	(1)
Russia.....	4	515.00	515.00	(2)
Netherlands.....	2.64	No limit.	482.40	None.
Hungary.....	3	812.00	812.00	(3)
Sweden.....	3.6	No limit.	536.00	None.
Egypt.....	2½	988.60	988.60	(9)
France.....	2½	289.50	289.50	(10)
Austria.....	3	406.00	406.00	(11)
Japan.....	4.2	498.00	498.00	None.
Bulgaria.....	4	386.00	386.00	None.
Philippine Islands.....	2½	No limit.	500.00	(12)

<sup>1</sup> Not to exceed \$248.32 in any one year.

<sup>2</sup> 3½ per cent on amounts up to \$1,459.95; 3 per cent on amounts from \$1,459.95 to \$2,919.90.

<sup>3</sup> Not to exceed \$1,000 per year except in special cases.

<sup>4</sup> 2.04 per cent in 1910. Fixed annually according to earnings; 3 per cent is average.

<sup>5</sup> Not to exceed \$772 in any one year.

<sup>6</sup> 3 per cent on amounts up to \$579; 2 per cent on amounts over \$579.

<sup>7</sup> Not to exceed \$965 in any one fortnight without authority.

<sup>8</sup> Not to exceed \$25.75 at any one time.

<sup>9</sup> Not to exceed \$247.15 in any one year.

<sup>10</sup> Not to exceed \$289.50 in any one year.

<sup>11</sup> Not to exceed \$121.80 in any one year after deducting withdrawals.

<sup>12</sup> Varies according to class of office.

I also place in the RECORD a statement showing the statutory restrictions on the amounts that savings banks may receive from depositors, by States.

STATEMENT SHOWING THE STATUTORY RESTRICTIONS ON THE AMOUNT THAT SAVINGS BANKS MAY RECEIVE FROM DEPOSITORS, BY STATES.

Alabama: None.

Arizona: None.

Arkansas: None.

California: None.

Colorado: None.

Connecticut: Savings banks may receive on deposit from any one individual, in his own name, or in the name of another, in any one year, a sum not exceeding \$1,000.

Delaware: None.

District of Columbia: None.

Florida: And every savings bank may receive deposits from any person, until the sum amounts to \$2,000, and may allow interest upon such deposits, and upon the interest accumulated thereon, until the principal with accrued interest, amounts to \$3,000, but the limitation contained in this section shall not apply to deposits by religious or charitable societies, or corporations.

Georgia: None.

Idaho: None.

Illinois: None.

Indiana: Every savings bank shall be authorized to receive on deposit any sum or sums of money that may be offered for that purpose, by any person or persons, or by any religious or charitable corporations or societies, or that may be ordered to be deposited by any court of this State, and to invest the same, and to declare credit, and to pay dividends thereon, as hereinafter authorized and not otherwise; provided that such savings banks shall not be compelled to receive sums less than \$1 or exceeding \$500, in any one year, and from any one depositor, unless provision therefor is made in the by-laws thereof.

Iowa: None.

Kansas: None.

Kentucky: None.

Louisiana: None.

Maine: Savings banks and institutions for savings shall not receive from any one depositor, directly or indirectly, any sum over \$2,000, and no interest shall be paid to any one depositor for any amount of deposit, all dividends included, exceeding said sum, except for deposits

of widows, orphans, administrators, executors, guardians, charitable institutions, and as trust funds.

Maryland: None.

Massachusetts: Savings banks may receive on deposit from any person not more than \$1,000; and may allow interest upon such deposits, and upon the interest accumulated thereon, until the principal, with the accrued interest, amounts to \$2,000; and thereafter upon no greater amount than \$2,000; but the provisions of this section shall not apply to deposits by religious or charitable corporations, or labor unions, or credit unions, or in the name of a judge of probate, or by order of any court, or on account of a sinking fund of a city or town in this Commonwealth.

Michigan: None.

Minnesota: That every such corporation shall have the right to limit the aggregate amount which any one person or society may deposit to such sum as they may deem expedient to receive.

Mississippi: None.

Missouri: Every such corporation shall have the right to limit the aggregate amount which they will receive from any one person or society to such sum as they may deem expedient, and may, in their discretion, refuse to receive the sum offered, and may also at any time return all or any part of any sum received: *Provided*, That the aggregate amount that may be received from any one individual or corporation shall not exceed \$4,000, inclusive of dividends; but this limitation shall not apply to moneys arising from judicial sales, or trust funds, or if received pursuant to order of a court of record, or to moneys or property received as bailee for safe keeping and storage only.

Montana: None.

Nebraska: None.

Nevada: None.

New Hampshire: None.

New Jersey: The deposits to the credit of any one individual or corporation must never exceed \$5,000, exclusive of accrued interest, except in the case of deposits ordered by a court.

New Mexico: None.

New York: Every such corporation may limit the aggregate amount which they will receive from any individual at any time: *Provided*, That the aggregate amount received shall not exceed \$3,000, exclusive of deposits arising from judicial sales or trust funds or interest, and to the credit of any society or corporation at any time shall not exceed \$5,000, exclusive of accrued interest, unless such deposit was made prior to May 17, 1875, or pursuant to an order of a court of record.

North Carolina: None.

North Dakota: None.

Ohio: None.

Oklahoma: None.

Oregon: None.

Pennsylvania: Every such corporation shall have the right to limit the aggregate amount which any one person or persons or societies may deposit to such sum as they may deem it expedient to receive, and may, in their discretion, refuse to receive a deposit, and may also at any time return all or any part of a deposit; nor shall the aggregate amount of such deposits to the credit of any one individual or corporation at any time exceed \$5,000, exclusive of accrued interest.

Rhode Island: None.

South Carolina: None.

South Dakota: None.

Tennessee: None.

Texas: And every such corporation shall have the right to limit the aggregate amount which they will receive from any one person or society to such sum as they may deem expedient, and may, in their discretion, refuse to receive the sum offered, and may also at any time return all or any part of any sum received: *Provided*, That the aggregate amount that may be received from any one individual or corporation shall not exceed \$4,000, inclusive of dividends. But this limitation shall not apply to moneys arising from judicial sales or trust funds, or if received pursuant to order of a court of record, or to moneys or property received as bailee for safe keeping and storage only.

Utah: None.

Vermont: A savings bank may receive on deposit, for use or benefit of depositors, sums of money offered for that purpose; but trustees may refuse deposits, in their discretion, and may also at any time return all or part of a deposit.

Virginia: None.

Washington: None.

West Virginia: None.

Wisconsin: Such mutual savings banks may receive on deposit from any person, in his or her own name or in the name of another, in any one year a sum not exceeding \$1,000.

Wyoming: None.

Mr. BUCHANAN of Illinois. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Tennessee yield to the gentleman from Illinois?

Mr. MOON. I do.

Mr. BUCHANAN of Illinois. Does the gentleman know any reason why the banks should not pay the Government the rate of interest that they pay other depositors? I believe the minimum is 3 per cent. Why should not the Government get that?

Mr. MOON. I have just stated the reason for that in answer to the inquiry of some gentleman, I think the gentleman from Missouri [Mr. BORLAND].

Mr. BUCHANAN of Illinois. Probably I did not catch the gentleman's answer.

Mr. MOON. I said this, in effect, that while 2½ per cent may be regarded as a low rate of interest for the loaning of money on mortgages and ordinary bonds and securities to individuals, yet when the money is loaned under the guaranties provided in this act and one bank takes it all, or such part as it may desire, the bank has to go into the market and buy securities for the purpose of protecting the Government. The Government runs no risk. It can call back the money when it desires it, and under any other system—



Mr. FALCONER. Mr. Speaker, I make the point of order that no one can hear the little dialogue that is going on across the aisle. Gentlemen ought to talk loudly enough so that we can hear.

Mr. MOON. There might be a little better order, but I think I talk loudly enough.

The SPEAKER. The House will be in order.

Mr. MOON. It is the difference in the customer, that is all, and the matter of the security, and the right of the Government to loan in bulk instead of in smaller amounts. If this money were loaned to individuals on ordinary notes, securities, or mortgages, the enforcement of collections where there was nonpayment would cost the Government, it is estimated, more than the additional one-half of 1 per cent. But I fully agree with the gentleman from Illinois that after this system is perfected we possibly may provide some rules and regulations by which this money may go to others than banks, and perhaps at a higher rate of interest. It should be done, but these questions are not and could not have been involved in the conference on this bill. This whole system is in embryo. It is an imperfect system as yet. The Government has not been able to make out of it what it expected. That has been done which many of us thought would be done. It was a failure for a while, and it has lost a good deal of money, but it is now upon a self-sustaining basis, and we believe that the adoption of this law will make it more thoroughly self-sustaining than it has been before.

Mr. BUCHANAN of Illinois. It is my opinion that the limitations and restrictions put upon this postal savings bank law, which is a failure, and only a postal savings bank in name—restrictions and limitations have made it a failure. It is a depository with a limit of depositing only \$100 at a time, and not to exceed \$500, and there are other restrictions, all of which would indicate that the banking interests of the country have had influence in preventing a real postal savings bank for the benefit of the people of the country; and while I do not raise any objection at this time, I think that in the very near future Congress ought to give the people a real postal savings bank that will be of some benefit to the masses of the people.

Mr. MOON. Mr. Speaker, I do not know what the gentleman means by the influence of the banks upon Congress. I am sure that the banks have made at no time any suggestions to this committee upon the subject, nor have they made any to the conferees.

Mr. BUCHANAN of Illinois. I did not intend to infer that they had any influence upon this committee, but the fact is that the people have been demanding for years a postal savings bank, and instead of being given a comprehensive postal savings bank that really amounts to something we have handed them out something that is not of very much value.

Mr. MOON. Mr. Speaker, personally I was of opinion, when this law was enacted, that it was not the kind of law that it ought to be, that it did not have the restrictions that it ought to have, that the powers which were vested were not what they ought to be, and I thought that this measure in many respects was unconstitutional, and I have doubt of its constitutionality in part to-day. But, while I was opposed to the whole system to begin with, it has been established by Congress, and it becomes our duty now in obedience to the law of Congress to make it an effective system that will not leave the Government in debt but will enable the Government to obtain revenue from it, and step by step this committee has undertaken to improve it to that end, and that is one of the purposes—the very purpose, so far as it may go, of the bill that is now pending.

Mr. BUCHANAN of Illinois. Mr. Speaker, I am in favor of making it so effective that we will take the limitations off and loan this money to the people and the farmers who will give real estate security instead of giving the banks the privilege of collecting the interest upon it.

Mr. MOON. That may come later on. I hope it may, if it can be done under proper restrictions.

Mr. GOULDEN. Mr. Speaker, will the gentleman yield?

Mr. MOON. Certainly.

Mr. GOULDEN. What amount of these deposits, if any, upon which the Government is paying 2 per cent is idle, not drawing the 2½ or 2¼ per cent provided by the law?

Mr. MOON. Practically none of it. It is covered in practically as fast as it is obtained, as I am advised, within the provisions of existing law.

Mr. GOULDEN. How do they do that, if the banks fail to make any demand for it?

Mr. MOON. They are making demands for it, more than they can get. I am told.

Mr. GOULDEN. Then the Government has no trouble upon that score, and I am pleased to learn that fact, as I believe the Government savings banks to be a wise law.

Mr. MOON. None whatever, I think.

Mr. GOULDEN. In having the money taken by the banks on which they pay an interest of 2½ or 2¼ per cent?

Mr. MOON. Yes; 2½ per cent.

Mr. GOLDFOGLE. Mr. Speaker, will the gentleman yield?

Mr. MOON. Certainly.

Mr. GOLDFOGLE. If, as the gentleman from Tennessee stated, the amounts now bearing interest are taken up at a profit, why is it that the additional sums—that is, the sum of \$500 for each depositor—are not bearing interest?

Mr. MOON. Mr. Speaker, the Government gets the advantage upon that. It is holding this fund for the purpose of securing the depositor and can not pay profitably—to itself—interest on the full deposits.

Mr. GOLDFOGLE. Would it not encourage the bringing in of additional money?

Mr. MOON. It might encourage the bringing in of additional money, but it might discourage the condition of the Treasury. They do not think it wise to pay interest on more than one-half of the amount deposited. This bill provides for interest on \$500, and then provides that \$500 may be deposited, without interest, for each depositor.

Mr. Speaker, when I was interrupted in introducing some papers in the RECORD, I had reached a letter from the Third Assistant Postmaster General upon the subject that we were just discussing. That letter I will insert at this point, calling especial attention to the extracts from reports received from postmasters which are quoted in the letter. The letter is as follows:

POST OFFICE DEPARTMENT,  
THIRD ASSISTANT POSTMASTER GENERAL,  
Washington, August 11, 1914.

Hon. JOHN A. MOON,  
Chairman Committee on the Post Office and Post Roads,  
House of Representatives.

MY DEAR JUDGE MOON: Let me call your attention to the urgency for speedy action on the bill now in conference to increase the amount that may be accepted from a postal savings depositor. Late reports from postmasters show that, while deposits are increasing rapidly, large sums are being rejected on account of the statutory restrictions on deposits. This is not only disappointing to intending depositors, but denies business an enormous amount of hidden money, every dollar of which is especially needed at this time on account of chaotic conditions abroad.

The following extracts from reports received from postmasters in the past few days show the embarrassments and disadvantages of the present limitations on deposits:

Kansas City, Mo., August 6:  
"There are indications of the existence of a little uneasiness on account of the war scare. Inclosed is a copy of my monthly statistical report for July, which shows the average number of new accounts opened per day to be 14, including the stations. On Monday, the 3d instant, 56 new accounts were opened at the main office and yesterday 38 were opened. Most of these new depositors deposited the maximum amount of \$100 and probably 75 per cent of them wanted to deposit from \$200 to \$4,000."

On August 6 Chicago reported postal savings deposits aggregating \$81,069 for the first four days of the month. During the corresponding period last year \$38,132 was received.

New York City, August 3:  
"I have to say that not fewer than 20 persons came to this office on Saturday with sums aggregating \$16,800, which could not be accepted on account of the present restrictions on deposits. Fifty-three new accounts were opened on Saturday, amounting to \$3,800, an average of over \$71 for each deposit. A Hungarian and his wife wanted to deposit \$500 each. A German wanted to deposit \$1,000. Several others desired to deposit \$500 and over. To-day, up to 2 p. m., \$7,780 had to be refused for the same reason."

South St. Joseph, Mo., August 6:  
"I had a Russian depositor this week who wanted to deposit \$265, but I could only take \$100. A Russian Jew offered \$300 for deposit some time since; we took \$100, and he carried the other \$200 for over 60 days until he could get certificates or the same. We had another customer with \$1,100 who took it all away as we could only take \$100 of the amount. I might give other instances to show that we do not receive money that the banks can get, and the desirability of accepting the largest amount that may be offered so as to get the money out of hiding and into the channels of business."

Gulfport, Miss., August 3:  
"As information I have to report that within the last three days there has been offered by foreigners at this office for deposit in the postal savings bank about \$2,500, the tenders being made by four persons, three of whom are Greeks. I presume the war news from Europe has something to do with it. Of course under present conditions we could only take \$100 from each of the patrons."

Newark, N. J., August 4:  
"The receipts for August 1 were \$2,135; for August 3, \$6,004; total, \$8,139. Corresponding period of 1913 deposits amounted to \$1,189. Fifty-five new accounts have been opened so far this month."

Philadelphia, Pa., August 6:  
"I beg to report that on the 3d of this month there was refused by the postal savings depository of this office the sum of \$2,850, offered for deposit, by reason of the \$100 a month limit; and on the 4th instant, for a like reason, the sum of \$1,900 was refused."

On August 6 the postmaster at Buffalo reported that deposits aggregating \$7,363 were received the first three days in August, as against \$4,053 during the last three days in July. In explaining the increase he said:

"Various reasons were advanced by depositors many of whom were anxious to deposit sums in excess of the limit. It is estimated that as much money was refused as was deposited."



Allentown, Pa., August 10:

"This office is compelled to frequently decline deposits of postal savings in excess of the maximum amount allowed to be deposited at one time under the existing regulations, it having been necessary to decline such deposits ranging from \$300 to \$650 from 10 patrons of this office during the past week."

Seattle, Wash., August 6:

"It is being demonstrated almost daily that the greatest obstacle for improving this service more rapidly is the limited amount of the deposits permitted. We turned away a depositor on the 4th of this month with \$16,000, and yesterday two other applications with \$1,000 and \$2,000 each. This is occurring here so often that I beg to refer to it."

Detroit, Mich., August 6:

"I wish to bring to your attention exceptionally heavy deposits in the postal savings bank during the last few days. The deposits at the main office for the first five business days in August amounted to \$27,445, while the deposits for the same period last month were \$12,867, or an increase in amount of over 110 per cent. Our withdrawals for the same period have fallen off slightly, the total being \$17,080 for the first days in July and only \$14,421 for August, making the net gain even greater."

"In addition to the money which we have been able to accept, thousands of dollars have been offered for deposit which we are obliged to refuse on account of the one hundred and five hundred dollar limit. Many of our depositors, or intending depositors, have expressed keen disappointment when they learn of this limit, and it is very hard to convince some that we are unable to accept the money which they are so anxious to intrust to the care of the postal savings. Many times a day intending depositors either come in the office or make inquiries over the phone for information, and in nearly every case surprise is expressed that the statutory limit is so low."

Danville, Ill., August 5 (telegram):

"Greek foreman railway construction gang called office to-day asking if savings department would accept \$30,000 deposited in various sums by members gang who are in panic regarding banks. Each individual deposit probably exceeds amount set by law as maximum deposit. If not taken, money will be withdrawn from circulation and may be sent abroad. Is there any emergency clause whereby we can accept deposits in excess of \$100?"

Scores of other reports corroborate the urgency for congressional relief and show similar conditions throughout the country. The Postal Savings System, if unfettered without delay, can render a very great public service in the present exigency.

Very respectfully,

A. M. DOCKERY,

Third Assistant Postmaster General.

This all shows that very large amounts have been desired to be deposited, but the department was powerless to accept the money under the law.

I now yield to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Speaker, I would like to have the gentleman from Tennessee yield me 15 minutes.

Mr. MOON. Very well, Mr. Speaker. I yield 15 minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Speaker, this bill passed the House last December. It changed the existing law in two or three particulars. It lifted the amount of \$500 that could be deposited by any depositor and provided an unlimited amount that might be deposited. It, however, limited the interest that would be paid to \$1,000. It also lifted the restriction of a depositor being allowed to deposit only \$100 in one month. The bill that comes before you is virtually here with all of those restrictions reinserted, except the last one, permitting the depositor to deposit more than \$100 in any one month. Under the bill as it is now before the House he is permitted to deposit only \$500. The Senate, by an amendment that was adopted, limited the amount to \$1,000 that might be deposited. The conferees, for some unknown reason, struck out the limitation of \$1,000 and restored the original amount of \$500 that might be deposited and granted the depositors the privilege, in the discretion of the board of trustees, whenever they saw fit, to deposit another \$500, which was not to bear interest. I had thought that the House had expressed itself positively enough that it was the wish to let the postal savings depositors have the right to deposit funds without any limit at all. The Senate limited that amount to \$1,000, and yet the House conferees go further backward to the original amount of \$500, with the privilege that the board of directors may allow the depositors to deposit another additional \$500 if they saw fit.

Mr. MOON. The gentleman, I suppose, does not mean to say to the House that the conferees denied the right both as to interest and nonbearing interest—

Mr. STAFFORD. Why, the House conferees went right backward to the position taken by the Senate, and even further backward. Now, if the gentleman will permit, I will make my position clear. The Senate restricted the amount that might be deposited by any depositor to \$1,000 and allowed interest on \$500.

Mr. MOON. The gentleman gets it wrong; the Senate struck out the \$500—

Mr. STAFFORD. I read the report, and I read it carefully, and I am not in error. It says:

Insert in lieu of the words—

And this is the Senate amendment—

"but the balance of the credit of any person, exclusive of accumulated interest, shall not exceed \$1,000" the following: "but the balance to

the credit of any person, upon which interest is payable, shall not exceed \$500, exclusive of accumulated interest"; and that the Senate agree to the same.

Mr. MOON. Yes.

Mr. STAFFORD. Following this is the next amendment:

That the House recede from its disagreement to the amendment of the Senate No. 3, and agree to the same with an amendment as follows: Insert in lieu of the words "Provided, That no interest shall be paid on such part of the balance to the credit of any person as is in excess of \$500," and insert the following: "Provided, That the board of trustees may, in its discretion, and under such regulations as such board may promulgate, accept additional deposits not to exceed in the aggregate \$500 for each depositor, but upon which no interest shall be paid."

Mr. MOON. That makes \$1,000.

Mr. STAFFORD. That confirms what I originally stated—that the Senate placed a limitation on the amount to be deposited of \$1,000, and the conferees in conference agreed to striking out the absolute right to deposit \$1,000 and restricted it to the original amount of \$500, with the permission to deposit an additional \$500 if the board of trustees of postal savings banks would permit.

Mr. MOON. I take it that the gentleman from Wisconsin means to convey this idea—that so far as the \$500 was concerned, upon which no interest was to be paid, that was in the discretion of the board of trustees.

Mr. STAFFORD. I mean to convey the idea that the individual depositor has no right to deposit more than \$500 in a savings bank unless the board of trustees give him permission to increase the deposits by another \$500, whereas the Senate amendment, as the bill came over to the House, provided giving to the individual depositor the absolute right to deposit to the extent of \$1,000, with the limitation of interest on \$500 of deposits. I am not in error in what I said originally as to the position the House conferees took on this matter.

Mr. HOWARD. Will the gentleman yield?

Mr. STAFFORD. My time is limited, and I want to get to a more important matter.

Mr. HOWARD. Just to get the gentleman's opinion.

Mr. STAFFORD. I yield.

Mr. HOWARD. In the gentleman's opinion, would not complications arise from this limitation? Would it not necessitate the keeping of two accounts against each individual, one on which it had to pay interest and on the other on which it did not pay interest?

Mr. STAFFORD. Oh, yes; it is a confusing proposition; there is no reason for it. America is the only Government with a postal savings banks institution that pays the lowest rate of interest to the postal savings depositors. This bill is in the interest of the private banks throughout the country.

When the postal savings bank bill was originally presented to this House we had a struggle as to whether all of the deposits should be for the use of the private banks or whether some of those funds should be for the use of the Government. At that time we provided that 30 per cent of these deposits should be at any time at the use of the board of trustees of these postal savings banks. Sixty-five per cent was to be deposited in private banks, State and National, but which could be utilized whenever the President thought that the public welfare demanded it. As the bill comes before us, by section 2 it wipes away that limitation, and permit me before I take up that question to say that these banks, the private, State, and National banks, receive these funds for 2½ per cent. The Government pays 2 per cent, turns that over to the bank, and receives the paltry sum of a quarter of a cent for the use of these funds.

Mr. MOON. No; the gentleman knows the Government pays 2 per cent and loans it at 2½—

Mr. STAFFORD. I meant to say 2½ per cent. The bill authorizes the postal-bank trustees to loan these deposits to the banks at not less than 2½ per cent, and the rate the banks pay is 2½ per cent. Paying the Government only 2½ per cent when in New York the prevailing rate to individual depositors for savings funds is 3½ to 4 per cent. I now wish to direct attention to this very material change, and it is of pressing importance just at the present time when the Government may have need of these postal deposits, totaling \$45,000,000, in the purchase of ships to carry our products abroad. There is more in this proposition than you think of at first glance.

Let me read to you the existing law, and then let me read this modification of the law as found on page 3, lines 22 to 25, and following. This is the restriction of the present law, which is not incorporated in this bill, as to the deposit of these funds in the various banks:

Not exceeding 30 per cent of the amount of such funds may at any time be withdrawn by the trustees for investment in bonds or other securities of the United States, it being the intent of this act that the residue of such funds, amounting to 65 per cent thereof, shall remain on deposit in the banks in each State and Territory willing to receive the same under the terms of this act, and shall be a working balance



and also a fund which may be withdrawn for investment in bonds or other securities of the United States, but only by direction of the President and only when, in his judgment—

And mark these words:

The general welfare and the interests of the United States so require.

Now, what are the words substituted in this bill which is about to be offered for adoption? These words are eliminated and the following are substituted:

When, in the judgment of the President, war or other exigency involving the credit of the United States so requires.

There are the words of limitation I wish to lay emphasis on. Not the general welfare of the country, but—

war or other exigency involving the credit of the United States so requires, the board of trustees may invest all or any part of the postal savings funds, except the reserve fund of 5 per cent herein provided for, in bonds or other securities of the United States.

Can there be any question whatsoever but that this proposed language is much more restrictive of the use of these \$45,000,000 now on deposit in the various banks throughout the country than the original law, which says that 65 per cent may be used any time in the discretion of the President and when, in his judgment, the general welfare and the interests of the United States shall require?

So eminent a business man as former Postmaster General Wanamaker, in a recent published letter, made the proposal that these \$45,000,000 of funds should be utilized for the purchase of ships by the Government to transport our products abroad. And yet no war is confronting us, no exigency involving the credit of the United States is before us. The credit of the United States is sound, and yet we are surrendering by this provision the right of the President when the general welfare of the country requires it to avail ourselves of the use of 65 per cent of the Government postal savings funds in all the banks throughout the country and also of the 30 per cent that the board of trustees now have the right to invest in Government securities. That is the purport and purpose of this amendment. It is restrictive of the powers of the President to-day in the exigency that confronts this Government.

Mr. MOORE. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. MOORE. As to this large fund in the postal savings bank belonging to the people who have deposited there, I should like to ask how, if the people wanted to draw their money, the Government would pay it if it invested this money in ships?

Mr. STAFFORD. Well, we know, as the gentleman well knows from his acquaintance with Philadelphia Savings Society's funds, that these savings funds are not to any great amount withdrawn. They are largely lodged there for permanent investment. I would not assume that the President or any department that has charge of these funds would take the 95 per cent of them, but I believe he would be perfectly safe to use at least 50 per cent, because when this Government is not involved in war everyone knows that, with the credit of the Government back of it, there is not going to be any clamor or call for these funds.

Mr. MOORE. Will the gentleman yield for one more question?

Mr. STAFFORD. My time is rapidly going. Mr. Speaker, how much time have I used?

The SPEAKER. Ten minutes.

Mr. MOORE. The gentleman knows that land or ships are not easily negotiable and can not readily be disposed of. People are withdrawing their funds now—

Mr. STAFFORD. The fact is, there is more money in the postal savings banks now than ever before, because people have greater confidence in the Government of the United States than in private banks.

Mr. MOON. I was going to ask the gentleman a similar question to that which was so well put by the gentleman from Pennsylvania [Mr. Moore]. On this very proposition you complain that certain language has been taken out of the act, being part of section 9 of the act that created the Postal Savings System, and that certain other language, more restrictive in its character, has been placed in this law.

Mr. STAFFORD. I do.

Mr. MOON. Well, in both instances the discretion is absolutely resting with the President. There can be no difference so far as that is concerned. The language is different; but the President, after all, has the discretion of exercising his judgment as he sees fit. Now, the difference, and the only difference, or the practical difference, is that instead of 35 per cent being withdrawn, he would be allowed to withdraw it all, except the 5 per cent reserve.

Mr. STAFFORD. At the present time the board of trustees has absolute right to withdraw for governmental purposes 30

per cent of these funds. Under certain conditions the President has the right to withdraw 65 per cent. What are those conditions? When in his judgment the general welfare and the interests of the United States require. That is the wording of the existing law. He has not unlimited discretion, because we restrict him. These are the restrictive words in the proposal of the committee:

When in the judgment of the President war or other exigency involving the credit of the United States so requires.

There is no war confronting this Government at the present time. There is no exigency involving the credit of the United States. He could make an investment in Government ships to transport our products abroad under the existing phraseology, and yet under this provision he would not have that authority.

Mr. MANN. Will the gentleman yield?

Mr. BUCHANAN of Illinois. I want to ask the gentleman in connection with the question of the gentleman from Pennsylvania [Mr. Moore] if he does not think if those restrictions and limitations were taken off the Government would have sufficient money to build all the ships necessary without making any great inroads on the deposits in our postal savings banks?

Mr. STAFFORD. This section 2 that is incorporated in this bill is in the identical phraseology, with one minor exception, as section 9 of the existing law, except as changed in the manner pointed out. There is no reason for restricting it.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. MOON. Mr. Speaker, I want to say a word in reply to the gentleman from Wisconsin [Mr. Stafford].

The section he complains of, as vesting the discretion in the President, is but a reproduction of the section which vests in the President discretion except as to the amount. The language is somewhat different, possibly more restrictive; but, appealing alone to the judgment and discretionary power of the President, discretion in both sections is vested strictly in the President, and it is immaterial what the language may be if the discretionary power is granted and is vested and can be controlled and can not be dislodged. That is the fact here.

The gentleman from Wisconsin [Mr. Stafford] says that there is no sense in this measure. It is hardly necessary for me to say—leaving out the part that the managers on the part of the House have had in the consideration thereof—that it is somewhat of a reflection on the managers on the part of the Senate for him to state that there is no sense in a proposition of this sort. The truth is, my friend from Wisconsin is the best hand to make a "chinquapin point" and conceal a real point I ever met. [Laughter.]

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Will the gentleman yield to me?

Mr. MOON. I will yield first to the gentleman from Illinois [Mr. Madden], and then to the gentleman from Georgia [Mr. Howard].

The SPEAKER. The gentleman from Illinois [Mr. Madden] is recognized for five minutes.

Mr. MADDEN. Mr. Speaker, this bill is a very simple piece of legislation. It increases the amount that a man can deposit in a postal savings bank from \$500 to \$1,000, and limits the amount on which interest may be paid to \$500, and authorizes the President to use all of such deposits, except the 5 per cent redemption fund, in case of emergency for governmental purposes. That is all there is to it.

Mr. RAKER. Mr. Speaker, will the gentleman yield right there?

The SPEAKER. Does the gentleman from Illinois yield to the gentleman from California?

Mr. MADDEN. No; I will not yield. That is a simple statement of fact.

The SPEAKER. The gentleman from Illinois declines to yield.

Mr. MADDEN. The people deposit their money in the local postal savings banks and the Government pays 2 per cent for it. The Government then deposits the money in the designated depositories and receives 2½ per cent interest thereon. Under the present law the board of managers or the board of trustees, or whatever you call them, are authorized to invest 30 per cent in securities which they have for sale to depositors, who can take their money out of the banks and buy these securities. And now we are authorizing the President to take all of the money, instead of 65 per cent of it; to take 95 per cent of it, and use it, instead of borrowing money by issuing bonds.

That is a simple proposition. It enlarges the powers given to the President. It is a good thing in case of emergency. It is a clear-cut business proposition. It will increase the deposits in the postal savings banks, and it will not increase the amount



upon which interest must be paid to any individual. It will encourage more people to deposit their money in the postal savings banks. We shall have more money on deposit there. We shall thereby be able to make the postal savings banks a paying institution instead of a losing one, and we shall at the same time have given to the President of the United States the right to use the money that is there for governmental purposes in case of any great emergency.

Now that is the whole story. It is a thing that there ought not to be any question about, and it ought to be adopted unanimously.

Mr. PLATT. Mr. Speaker, will the gentleman yield for a question?

The SPEAKER. Does the gentleman from Illinois yield to the gentleman from New York?

Mr. MADDEN. Yes.

Mr. PLATT. Does not the gentleman think it is rather mean to take the money of the poor people and invest it in Government bonds at a time when the credit of the Government is involved? It seems to me that is the time when it ought not to be done.

Mr. MADDEN. What you ought to do is to encourage the people to loan money to the Government in any great emergency.

Mr. PLATT. Not the poorest people.

Mr. MADDEN. Oh, any people who are willing to loan their money to the Government of the United States ought to be encouraged to do it. The Government is paying interest on it, and the Government ought to be able to use it for any purpose.

Mr. REILLY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. REILLY of Wisconsin. Under the present conditions would not the President have the right to purchase ships with the money?

Mr. MADDEN. He would have the right to purchase ships from any money in the Treasury if Congress authorized him to do it. He could use this money.

Mr. REILLY of Wisconsin. Under the law as it is to-day would the President be authorized to use it for the purpose of ships?

Mr. MADDEN. Under the law to-day the President can use the money for an emergency, and the money could be used for that purpose to-day under this bill in the discretion of the President of the United States.

Mr. RAKER. In addition to the good features that the gentleman has pointed out, there is another feature of this bill that requires the committee to loan the money in the localities where the money is deposited?

Mr. MADDEN. Yes; of course.

Mr. CARLIN. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. CARLIN. I want to get this thing straight. The discretion is still in the power of the United States to withdraw the money?

Mr. MADDEN. Yes. This gives the President the discretion to withdraw all the funds, instead of 65 per cent of the funds. Now I yield the floor, Mr. Speaker.

Mr. MANN. Mr. Speaker, will the gentleman from Tennessee give me some time?

Mr. MOON. How much time have I, Mr. Speaker?

The SPEAKER. The gentleman has 15 minutes left.

Mr. MOON. I shall have to divide up the time differently, then, Mr. Speaker. I will yield five minutes to the gentleman from Illinois [Mr. MANN], and then I will yield three minutes and one minute as I promised.

The SPEAKER. To whom does the gentleman yield first?

Mr. MOON. I will yield five minutes to the gentleman from Georgia [Mr. Howard].

The SPEAKER. The gentleman from Georgia [Mr. Howard] is recognized for five minutes.

Mr. HOWARD. Mr. Speaker, to discuss this question intelligently within five minutes is almost an impossibility. I had hoped that the House bill would be adopted by the Senate as it left the House.

I wanted to point out just a few limitations that are put upon postal savings deposits that I think will never make the Postal Savings System of this Government profitable, but will always make it run at a loss. For instance, it is said we have \$45,000,000 on deposit. Now, \$45,000,000, even at one-half of 1 per cent, is only \$225,000 a year, and we have appropriated for the current fiscal year \$800,000 for this system.

Now, the sensible and sane thing for the Government of the United States to do is to do what every country that has had

any experience in dealing with postal savings has done—make this system useful to the American people. The other day the two houses of the British Parliament in 48 hours appropriated \$1,025,000,000 to meet an emergency. The other day the Republic of France converted for the use of the Government over \$500,000,000 of its postal savings that it had accumulated by the sale of postal savings bonds for years in that country. The opportunity presents itself to the United States Government to build up and make one of the most effective arms of Government support in the Postal Savings System and stabilize the low rate of interest heretofore maintained for our bonds. And yet by the act of 1910 and by amendments thereto they have thrown every limitation and restriction around the use of these banks that would drive investors away instead of inducing them to invest in them.

For instance, let me give you one illustration. Suppose my friend from Colorado [Mr. SELDOMBRIDGE] had on deposit \$100 in Denver, and he looked at his certificate and saw that his interest was due, how could he collect it? Could he go to the post office in Washington and collect his interest? No; he would have to go down and get a lawyer, if he was not a good enough one himself, to draw a power of attorney, and send that certificate, with the power of attorney, to Denver, Colo., designating a specific person to collect his interest; and that person would return it by money order, which would practically consume the interest. Now, under the present system, this bank will never be used extensively. This year it will be run at a loss of \$300,000, and I am willing to wager a burned ginger cake on that proposition. This legislation is not going to bring any more money into the Postal Savings System—

Mr. MOON. Will the gentleman allow me to interrupt him?

Mr. HOWARD. I yield to the gentleman.

Mr. MOON. I want to give the gentleman the information that the department has given to me, that there will be no loss at the end of this fiscal year.

Mr. HOWARD. I have heard that statement made before, and I say, after four years' close study of the Postal Savings System, that the department is dead wrong, and the future will prove it. Now, who uses the postal savings bank? Foreigners use it, because they are accustomed to using this system in their own country. Practically every country in Europe has a postal savings system, and the foreigners understand it and know how to use it; but when you come to use the system of the Government of the United States there is every restriction and everything on the face of the earth to prevent a man's using it and nothing to encourage it.

What class of American citizens use the postal savings bank? Those who are skeptical of the stability of the savings institutions of the country use it. These people want a simple, everyday, common-sense method of depositing and withdrawing money.

Now, in the State of New York, from which very many distinguished gentlemen hall who are on the floor of this House, they have savings deposits of \$2,368,000,000 this minute. One bank—the Bowery Savings Bank, in New York City—has over \$100,000,000 on deposit this minute. The Savings Bank of Boston, Mass., has on deposit over \$100,000,000.

Mr. BUTLER. Mr. Speaker, I doubt very much whether there is a quorum on the floor of the House, and I will ask the Speaker to ascertain. I make the point of no quorum.

Mr. MOON. I will ask the gentleman to withhold that for a few minutes, until we get through with this.

Mr. BUTLER. I can not do it if the gentleman voted for the resolution the other day.

The SPEAKER. The gentleman from Pennsylvania makes the point that there is no quorum present. The Chair will count. [After counting.] One hundred and thirty-seven Members present—not a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk proceeded to call the roll, and the following Members failed to answer to their names:

Adair	Browne, Wis.	Dies	Flood, Va.
Alken	Browning	Dillon	Foster
Ainey	Brumbaugh	Dooling	Fowler
Ansberry	Calder	Doolittle	Francis
Anthony	Candler, Miss.	Eagle	Frear
Aswell	Church	Edmonds	Gardner
Austin	Clancy	Elder	George
Barchfield	Claypool	Esch	Gill
Barkley	Cooper	Estopinal	Glass
Bartlett	Copley	Fairchild	Gordon
Bell, Ga.	Covington	Falson	Graham, Ill.
Brown, N. Y.	Crisp	Finley	Graham, Pa.



Gregg	Kent	Morgan, La.	Smith, Md.
Griest	Kettner	Mott	Smith, N. Y.
Guernsey	Kless, Pa.	Murdock	Smith, Saml. W.
Hamill	Kindel	Neeley, Kans.	Steenerson
Hamilton, Mich.	Kirkpatrick	Padgett	Stevens, N. H.
Hardwick	Knowland, J. R.	Paige, Mass.	Stout
Hart	Lafferty	Peters	Stringer
Hayes	Lazaro	Platt	Switzer
Heflin	L'Engle	Plumley	Taggart
Helgesen	Lenroot	Porter	Underhill
Hensley	Lewis, Pa.	Powers	Vare
Hill	Linthicum	Rainey	Wallin
Hinds	Loft	Riordan	Watkins
Hinebaugh	McGillicuddy	Rubey	Whaley
Hobson	McKenzie	Sabath	Wilson, N. Y.
Hoxworth	Mahan	Scully	Winslow
Johnson, Ky.	Martin	Sells	
Jones	Merritt	Shackelford	
Kennedy, R. I.	Miller	Sherley	

The SPEAKER. On this call 309 Members have responded to their names—a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The SPEAKER. The gentleman from Alabama moves to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

The SPEAKER. The gentleman from Tennessee has 11 minutes remaining.

Mr. MOON. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. OGLESBY].

Mr. OGLESBY. Mr. Speaker, I am opposed to the limitation of \$1,000. There might be some reason for limiting the amount that a man may deposit within a special period—a month or two months—in order to prevent funds used or required for business purposes, and which would naturally be deposited in commercial banks, from going into these savings banks. But where a man deposits his savings only I can see no good reason for limiting the amount. It simply results in the man putting in the amount he is allowed to deposit and then the additional amount in the name of some other member of the family.

It seems to me that there can be no excuse for the nonpayment of interest on the second \$500. This postal savings bank is not established for the benefit of the Government, but for the benefit of poor people.

The chairman of the committee tells us that this year the difference between the 2½ per cent which the banks are required to pay the Government and the 2 per cent which the Government pays the depositors is sufficient to pay the expenses of the administration of these banks. Naturally the profit of one-half per cent on the amount on deposit will increase as the deposits increase. If we can encourage these deposits we will enlarge the amount of the expense fund, and it will be very much easier for the Government to administer it.

Mr. BORLAND. Will the gentleman yield?

Mr. OGLESBY. Yes.

Mr. BORLAND. The gentleman says that the postal savings bank was established for poor people; does not he think that there is a limit to the amount that poor people would deposit? After you get above \$1,000 deposit, would not that be made by people of accumulated wealth?

Mr. TOWNSEND. I understood the gentleman to say that the bank was established for the people and not for the Government.

Mr. BORLAND. I understood him to say it was established for the poor people.

Mr. OGLESBY. The man of means who has money to invest will make an investment which will return him more than 2 per cent. If he wants to use it commercially it would be of no use to deposit it in the postal savings bank, and especially if he is limited to \$50 or \$100 a month he would not use the postal savings banks to get that small return.

Mr. BORLAND. If a man has more than \$1,000 saved up he is apt to find some other place to invest it.

Mr. OGLESBY. That may be, but it does not necessarily follow. It is the proposition that on the second \$500 no interest is to be allowed that seems to me to be particularly objectionable. I see no reason why, if the Government takes on deposit \$1,000, it should not pay interest on the second \$500 the same as on the first. It receives interest from the banks on the total deposits. The more money deposited the larger the expense fund and the less proportionate cost to administer the postal savings bank. I think deposits should be encouraged.

Mr. GOLDFOGLE. Will the gentleman yield?

Mr. OGLESBY. Certainly.

Mr. GOLDFOGLE. I quite agree with what my colleague has said. I want to ask him whether, in view of the fact that we have had failures of many private banks such as we had on the east side of New York, it would not be right that the

postal savings bank pay interest on the entire thousand dollars, especially, too, in view of the fact that so much has been said in the press that there are so many people who keep money hidden away or hoarded up in secret places, whereas they might be induced to deposit in the postal savings bank if they would get 2 per cent on the additional \$500 which, under the agreement of the conferees, is not to bear interest.

Mr. OGLESBY. That is my view.

A great majority of the deposits in the postal savings bank are made by people of foreign birth—people who are largely ignorant of our laws and unfamiliar with our language. They have had unfortunate experiences with so-called private bankers who have gotten their confidence through being able to speak their language, only to abuse it. These experiences have made them suspicious of all banking institutions. This leads to the hoarding of money or the sending it out of the country. It would not be deposited in any of our banks directly, but can be kept in the country and in circulation through the medium of a Government-administered postal savings bank, for all of the people have absolute confidence in the solvency and integrity of Uncle Sam. The postal savings bank should not, and, if properly conducted will not, be a burden on our National Treasury, and can and should be so conducted that it will be of great benefit, especially to our laboring classes. To refuse interest on deposits in excess of \$500 will be to erect a serious barrier to its success by discouraging deposits, and without reason.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. MOON. Mr. Speaker, I yield one minute to the gentleman from Ohio [Mr. BATHRICK].

Mr. BATHRICK. Mr. Speaker, in this short time I wish to call attention again to that which has been already said, namely, that while we have raised the amount that can be deposited to \$1,000 we have limited the interest which will be paid to \$500, and that of itself is a limitation upon the thousand-dollar deposit. The experience of the past has shown that very little money is deposited on which no interest is paid; that if you limit the interest paid on the second \$500 it is in fact a complete limitation on the amount that will be deposited. I hope this amendment will be arranged so that interest can be paid on the second \$500, and that we will offer this inducement to the people of this country to put their money in the postal savings banks.

Mr. MOON. Mr. Speaker, I yield to the gentleman from Washington [Mr. FALCONER].

Mr. FALCONER. Mr. Speaker, the postal savings bank is a live subject from one end of this country to the other. The first and original purpose of its establishment was to serve the public and bring more closely together the loaning and borrowing public. It is the desire of the country to eliminate as much as possible the expense that generally attends the transaction of this exchange. The fact is that the man who owns and deposits the money with the Government gets only 2 per cent, while the man who borrows that same money pays 6 or 8 per cent. The institution that acts as the agent of exchange makes more money out of the transaction than the owner of the money. Why not enlarge the scope and usefulness of this Government institution?

This bill, from all appearances, is in the hands of its enemies. I understand the chairman of the committee to say that he does not favor the postal savings bank.

I can not subscribe, Mr. Speaker, to the limit of \$500 on which interest shall be paid. Why not take the limit off of the amount of deposit and pay interest on all money placed in the postal savings bank? No man is going to put \$1,000 on deposit if he gets interest on only \$500.

The tendency and the effect will be to lessen the amount of money deposited in postal savings banks. I would oppose this bill if I had anything better to vote for. It is a sorry disappointment to the country. Many men in the country hoped for greater deposits, even at an increase of interest paid.

The banks would gladly pay 3 per cent for this money, if left on deposit for any length of time. In my State the banks fight for State money, and pay interest on daily balances. And, sir, if the banks will not pay more than the amount of interest suggested by the conference committee, I am certain safe and legitimate avenues for loans can be developed by Government farm-loan banks. The Government owes this to the country. The much-talked-of 30 and 50 year term farm loans are not desired in this country. Five or ten years is long enough in America under our land conditions, and would suit the American farmer.

If I may use the expression, the "psychological" effect of a 30 to 50 year loan would be disquieting to a live American, but the 5 or 10 year term would fit in in connection with the



postal savings bank. The Government might loan the money, not to a commercial bank, but to a farm-loan bank. I regret, Mr. Speaker, that the administration does not show a disposition to meet the demands of the country.

Mr. MOON. Mr. Speaker, I yield to the gentleman from Illinois [Mr. MANN] five minutes.

Mr. MANN. Mr. Speaker, I would like first to congratulate the House and the country upon the speedy recovery to full health of our friend the gentleman from New York [Mr. FITZGERALD], who appears on the floor to-day.

The present law permits the deposit of \$500 in the postal savings bank at interest. The House passed the bill to take off the limit on the amount which could be deposited, but as to the limit of \$500 on the amount which could draw interest we raised it to \$1,000. The Senate passed the bill making the limit on the amount which could be deposited \$1,000, and reduced the limit on the amount to receive interest to \$500. You see there was a gradual descent from what the House did. The conferees make the deposit of \$1,000 dependent on the will of the trustee.

For myself I am in favor of the position which the House took, taking off the limit on the amount which could be deposited entirely. But I do not criticize the conferees for not having secured an agreement with the Senate conferees to that effect, because the Senate conferees probably are not as enthusiastic for postal savings banks as I am or as the House is, although I think the conferees made a mistake in agreeing to the provision in the form that it is.

Under the existing law the President may at any time invest 30 per cent of the deposits in Government bonds. There was a strong contest in this House when the original postal savings bank bill was passed. The bankers wanted all of the deposits placed in the banks. Many of us wanted to give the Government the power to invest all the funds in Government bonds, and a compromise was finally effected by which the Government might at any time invest 30 per cent in Government bonds and deposit 65 per cent in the banks. I would be in favor of giving the Government the power to invest more than 30 per cent in Government bonds, but this conference report takes away entirely the power of the Government, under ordinary circumstances, to invest one cent in Government bonds.

The existing law permits the President, when public interests require, to invest all of the money in Government bonds; but this bill as now presented only permits any of the money to be invested in Government bonds in case of an exigency.

Mr. TOWNSEND. In case of war or other exigency.

Mr. MANN. In case of war or other exigency. They might just as well have left the "war" out, but an exigency does not mean usual conditions. An exigency does not mean that the President can keep the funds invested in Government bonds. An exigency in the very nature of it is not continuous and can not last. It is only in case of an exigency, and the President must find that there is an exigency involving the credit of the United States before he can invest any of the money in Government bonds. I do not know whether it would be possible to reject the conference report, because we have such a large attendance in the House now for voting purposes, which is not in the House for listening purposes, and even if one could convince all who heard him, he would not win when it came to a vote. If it were possible, it ought to be rejected, and the conferees should go back to conference and secure and preserve the right on the part of the Government to invest a portion of these funds at all times in Government bonds, because the requirement that all of the money in ordinary circumstances shall be invested in the banks is purely in the interest of the banks. They have been fighting for that proposition all of the time. I am not in favor of turning it over to the private banks of the country. [Applause.]

Mr. MOON. Mr. Speaker, I yield half a minute to the gentleman from New York [Mr. GOLDFOGLE].

Mr. GOLDFOGLE. Mr. Speaker, within the moment allotted to me I can not state more fully than I did when I undertook to interrupt my colleague [Mr. OGLESBY] the reasons why I would advocate that interest be allowed on the entire \$1,000, which under the conference agreement may be deposited, and why, in my opinion, a larger sum than \$1,000 should not be receivable by the postal savings banks from any individual depositor. So I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. MOON. Mr. Speaker, I move the previous question on the adoption of the report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. BATHRICK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BATHRICK. Is it not in order now to offer an amendment to this report?

The SPEAKER. It is not.

Mr. HOWARD. Mr. Speaker, I desire to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOWARD. As I understand the situation, the House either agrees to the conference report or not. What would be the result if the House failed to agree to the conference report?

The SPEAKER. It would disagree to it.

Mr. HOWARD. Would there be a further conference on the part of the conferees?

The SPEAKER. The House could do what it pleased. It could ask for a further conference, and it could instruct the conferees, and so on.

The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. Moon) there were—ayes 97, noes 63.

Mr. BATHRICK. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. The gentleman from Ohio [Mr. BATHRICK] demands the yeas and nays. Those in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Nineteen members have risen—not a sufficient number—and the yeas and nays are refused.

Mr. BATHRICK. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. FITZGERALD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FITZGERALD. Mr. Speaker, the House having refused to order the yeas and nays, is not the conference report adopted?

The SPEAKER. The Chair thinks it is.

Mr. BATHRICK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BATHRICK. If the point of order is not withdrawn, will I not get a vote automatically upon this proposition?

The SPEAKER. The Chair thinks not.

Mr. BATHRICK. Then I withdraw the point of order that there is no quorum present.

So the conference report was agreed to.

#### ORDER OF BUSINESS.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for not exceeding 10 minutes upon a matter with respect to the business of the House.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to address the House for not exceeding 10 minutes on a matter pertaining to the business of the House. Is there objection?

Mr. MANN. I object.

#### EXTENSION OF REMARKS.

Mr. OGLESBY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record upon the postal savings banks bill.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the Record upon the postal savings banks bill. Is there objection?

There was no objection.

#### PERSONAL EXPLANATION.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. The gentleman from New York asks unanimous consent to address the House for three minutes. Is there objection?

Mr. MANN. I object. I am afraid the gentleman might tax his strength.

Mr. FITZGERALD. Mr. Speaker, then I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. FITZGERALD. Mr. Speaker, through a misunderstanding, for which I am wholly responsible, a request was made to the House that I be excused from attendance upon the House on account of illness. I have not been ill, and the request should not have been submitted to the House. The request was due to a misunderstanding for which I am personally responsible. I left the city on Sunday night for two purposes, one to arrange for the circulation of petitions in my district in order to have my name submitted for nomination upon the Democratic ticket in the coming primary in the State of



New York, and the other to attend a Democratic conference at Saratoga, N. Y., which was held in lieu of a State convention. Those were the only reasons for my absence. During my absence the House adopted an order directing the Sergeant at Arms to deduct from a Member's salary, under the law, the pro rata amount due each Member per day, for each day that he is absent. As I do not come within the exceptions made in the order, and as the leave of absence to me was granted by a misunderstanding, there will be no advantage attempted to be taken by me of the order, excusing me from attendance in the House. I thought, perhaps, it proper to make this statement, to avoid any misapprehension or misunderstanding.

Mr. Speaker, since this session of Congress convened in December last I have been absent up to last Sunday night, as nearly as I can estimate up to the present time, 5 legislative days. Two of them were during a period I had intended to include in a week's vacation, starting about 10 days or 2 weeks ago. After I had been absent 2 days I was recalled by an urgent message, because of the European situation requiring action by the Committee on Appropriations on certain legislation. Outside of those 2 days I believe my entire absence from the House since December was for a period of 3 legislative days. I have no apology to make for my absence during the past few days. [Applause.] But I think I voice the somewhat prevailing sentiment in the State of New York when I say that there was some criticism of the action of the House adopting the order which it did adopt at the particular time it adopted it, in view of the fact that the unofficial State convention of the Republican Party had just ended in the State of New York, for which most of the 10 Republican Members of the House had been away for the purpose of attending, while this order was adopted the day preceding the convening of the Democratic conference, at which it was the desire of the 32 Democratic Members from the State of New York to be present. However, so far as I am concerned and the other members of the Democratic delegation from the State of New York are concerned, we have no complaint to make at any action necessary to enforce the attendance of a quorum to transact the business of this House. [Applause.]

#### ORDER OF BUSINESS.

Mr. GARRETT of Tennessee. Mr. Speaker, the remarks I desired to make were in a measure in the interest of the enforcement of the recent order by the Sergeant at Arms. I renew my request that I may be permitted to speak for not exceeding 10 minutes.

Mr. MANN. I shall object. Go ahead with your other public business.

#### EXTENSION OF REMARKS.

Mr. LIEB. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting correspondence between S. L. May, president of the National Contract Co., of Evansville, Ind., and Lieut. Col. F. R. Shunk, of the Government Corps of Engineers, Pittsburgh, Pa., who is in charge of some work on the Ohio River.

The SPEAKER. The gentleman from Indiana asks leave to extend his remarks by inserting in the Record the correspondence to which he referred.

Mr. MANN. Is there a map in connection with it?

Mr. LIEB. There is no map. This relates to a contract that is now in existence and contains some valuable information of the House.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had disagreed to the amendment of the House of Representatives to the bill (S. 136) to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea, asked for a conference with the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. CLARKE of Arkansas, Mr. FLETCHER, and Mr. NELSON as the conferees on the part of the Senate.

The message also announced that Mr. SMITH of Arizona had been excused from further service as one of the conferees on the bill (S. 657) to authorize the reservation of public lands for country parks and community centers within reclamation projects in the State of Montana, and for other purposes, and Mr. PITTMAN appointed in his place.

The message also announced that the President of the United States had approved and signed bill of the following title:

S. 5198. An act to reserve certain lands and to incorporate the same and make them a part of the Pike National Forest,

#### CORRECTING ERROR IN H. R. 12045 (PENSION BILL).

Mr. RUSSELL. Mr. Speaker, I ask unanimous consent to discharge the Committee on Invalid Pensions from the further consideration of House joint resolution 327, and to pass the same. It is to correct an error in a bill which was passed.

The SPEAKER. The gentleman from Missouri asks unanimous consent to take up and pass, or to consider, House joint resolution correcting an error in a pension bill. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the joint resolution.

The Clerk read as follows:

House joint resolution 327.

(To correct error in H. R. 12045.)

Whereas by error in printing H. R. 12045, reported by the House Committee on Invalid Pensions, act approved July 1, 1914 (Private, No. 50), makes the designation of the military service of one David Taylor, late of Company B, Fourth Regiment Michigan Volunteer Infantry, to read "Company B, Fourteenth Regiment Michigan Volunteer Infantry": Therefore be it

Resolved, etc., That the paragraph in H. R. 12045, approved July 1, 1914 (Private, No. 50), granting an increase of pension to one David Taylor, be corrected and amended so as to read as follows:

"The name of David Taylor, late of Company B, Fourth Regiment Michigan Volunteer Infantry, and pay him a pension at the rate of \$40 per month in lieu of that he is now receiving."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. RUSSELL, a motion to reconsider the vote by which the joint resolution was passed was laid on the table.

#### WAR-RISK INSURANCE.

Mr. HENRY. Mr. Speaker, I offer a privileged resolution from the Committee on Rules, which I send to the Clerk's desk. The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 609 (H. Rept. 1119).

Resolved, That immediately upon the adoption of this resolution the House shall resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 6357, to authorize the establishment of war-risk insurance in the Treasury Department; that there shall be not exceeding two hours' general debate, one-half of such time to be controlled by the gentleman from Georgia, Mr. ADAMSON, and one-half by the gentleman from Minnesota, Mr. STEVENS. At the conclusion of such general debate the bill shall be considered for amendment under the five-minute rule. After the bill shall have been perfected in the Committee of the Whole the same shall be reported to the House with such recommendations as the committee may make. Whereupon the previous question shall be considered as ordered upon the bill and amendments thereto to final passage without intervening motion, except one motion to recommit: *Provided*, That the adoption of this resolution shall suspend the operation and effect of H. Res. 536, agreed to August 11, 1914, only and until the final disposition of S. 6357.

Mr. METZ. Mr. Speaker, I ask unanimous consent to address the House for three minutes on a matter of interest to the Members, in reference to the condition of manufactures in this country at this time owing to the war abroad, which I think will give some information which Members may desire to convey to their constituents.

The SPEAKER. The gentleman from New York asks unanimous consent to address the House for three minutes. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Texas [Mr. HENRY] if it is his intention to report a rule for the consideration of the war-risks bill this afternoon?

Mr. HENRY. It is; and I am ready to do so now.

Mr. MANN. Is it expected to adopt the rule and pass the bill to-day?

Mr. HENRY. I think so.

Mr. MANN. Well, I am not willing to stay here until midnight, and I ask that these gentlemen make their requests to-morrow.

The SPEAKER. The gentleman from Illinois objects until to-morrow.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record upon the question of: Is there a shortage of cattle in the United States?

Mr. MANN. Mr. Speaker, I object to any of these requests until this other matter is disposed of.

The SPEAKER. The gentleman from Illinois objects. The gentleman from Texas is recognized.

Mr. HENRY. Mr. Speaker, I think it is proper I should explain the terms of the special rule. It provides that immediately upon the adoption of the resolution the House shall resolve itself into the Committee of the Whole House on the state of the Union for the purpose of considering what is known as the war risks insurance bill. It provides for not exceeding two hours' general debate, to be divided equally between the two



sides of the House. Thereupon, the bill is open to amendment and we allow the utmost freedom of debate on those amendments. Whereupon the previous question shall be considered as ordered upon the bill and all amendments thereto, allowing the usual motion, which the rule permits, to recommit the bill, and it supersedes the resolution which was adopted providing for the consideration of the conservation bills only until this resolution is disposed of and the Senate bill which we are to consider is finally decided by the House. Those are the provisions of the special rule. Now, I will yield—

Mr. ADAMSON. Will the gentleman yield to me?

Mr. HENRY. Yes.

Mr. ADAMSON. The rule, I observe, states that the House will resolve itself into the Committee of the Whole House on the state of the Union, and I would like to know if the committee thinks it means it automatically goes into the Committee of the Whole House or would we have to move to go into the Committee of the Whole House?

Mr. HENRY. I think undoubtedly the House resolves itself automatically into the Committee of the Whole.

Now, how much time does the gentleman from Kansas [Mr. CAMPBELL] desire?

Mr. CAMPBELL. I desire 30 minutes.

Mr. HENRY. I yield to the gentleman 30 minutes of my time, and I ask that it be understood that he shall use 30 minutes and I reserve the balance of my time.

The SPEAKER. The gentleman from Texas yields 30 minutes to the gentleman from Kansas, and reserves the balance of his time, which is 27 minutes.

Mr. CAMPBELL. Mr. Speaker, after I have used five minutes I would like to have it called to my attention.

The bill, Mr. Speaker, provided for in this rule is not a subject for partisan consideration. The world is to-day witnessing the greatest tragedy in human history. The flower of the manhood of Europe is being sacrificed by thousands every day in cruel war. Life is being given up without stint, and in the track of war there is waste of every kind. Widows and orphans are multiplying by thousands, poverty and hardship of every kind are being increased, and there is no prospect of a cessation of the hostilities that make these most deplorable conditions.

The war is not abating; on the contrary those engaged in war are increasing in numbers. The belligerents include practically all the East and a part of the Far East. This is a time for the most serious consideration by the American people and by the American Congress of what they do. There has been no such time in the United States for years.

Mr. Speaker, I read with no satisfaction of the opportunities for extending American trade under these circumstances at this time. If the real cause for the war, of the human slaughter that is daily occurring in Europe, were sought, it would perhaps be found in jealousy because of the extension of the commercial influences of nations. In view of this, it occurs to me that we should proceed most cautiously with the steps that we now take for the extension of the commercial interests of the American people. I take it that no American citizen to-day, no matter how much he may be interested in the extension of our commerce, would take a step that might tend in the remotest degree to involve the American Nation in this almost universal war. Here is the situation: We are the one great Nation of the earth to-day that is neutral, and our neutrality is real. There is no partiality in the United States to-day for any of the belligerents in Europe or Asia. The blood of every nation at war in Europe flows in our veins.

If, then, we extend by affirmative legislation the commerce of our country within the zones heretofore controlled by those now at war, in what light do we stand with those people? That is the first question that suggests itself to me. The second is, that most of the commerce in which we would engage is contraband of war. Our wheat, our corn, our meat of every character, our products of manufacture of almost every variety are, under the London agreement, contraband of war. And both the British and German Governments have so announced to the Secretary of State since this war began.

The SPEAKER. The gentleman has used five minutes.

Mr. CAMPBELL. Thank you, I shall use some more time, Mr. Speaker. Since this war began the London agreement has been accepted by each of those Governments touching contraband of war. Are we not therefore in danger of inviting, not the friendship of the world, but its enmity by taking steps at this time, as we now propose, for extending our commerce? I am anxious for the extension of American commerce, and we have extended it when the world was at peace. But I am fearing that we have not given this subject sufficient consideration. It might have been well—it might be well yet—to have conventions with the belligerent powers and, indeed, to court invi-

tations from these belligerent powers to supply them at this time, when their own industries are prostrated, with the necessities of life. Our State Department has not done this, while two of the belligerents have declared that the products that we propose to take into their markets are contraband of war. These products go upon the high seas at the risk of the shipowner and the owner of the goods. This bill is to guarantee the shipowner and the owner of the goods by the United States. I shall vote for the rule and for the bill, but do so fearing that the administration has taken a step in the wrong direction.

Mr. MOORE. Mr. Speaker—

The SPEAKER. Will the gentleman from Kansas yield to the gentleman from Pennsylvania?

Mr. CAMPBELL. I yield for a question.

Mr. MOORE. This bill is intended to provide a Government guaranty for exports of cotton and grain that shall leave the American shores in foreign bottoms? That is the purpose of it, is it not? It is intended to guarantee exports?

Mr. CAMPBELL. Of every character that is contraband of war. Cotton and cotton goods are not contraband of war under the London agreement nor, as I understand, under the announcement made by the British and German nations to the Secretary of State recently.

Mr. MOORE. May I ask the gentleman this? Cotton and grain are to be protected as war risks under this bill?

Mr. CAMPBELL. But cotton does not have to be protected, because it is not contraband of war. The purpose of this bill is to protect contraband of war on the high seas.

Mr. MOORE. Will imports coming into northern ports be protected likewise? Some of them have already been seized and are now in the prize courts.

Mr. CAMPBELL. It is not a question of protection. It is not a question of insurance. We have not gone so far as to accompany a cargo going out nor to meet a cargo coming in with a man-of-war for the purpose of protecting it.

Mr. MOORE. This is a money protection, as I understand.

Mr. CAMPBELL. It is an insurance.

Mr. MOORE. An insurance system that the Government is organizing because, apparently, some private companies are not prepared to take over this kind of business. In other words, the Government is going into the insurance business by reason of the emergency of the war. My question is, in view of the fact that exports of cotton and grain are to be insured, whether those imports coming into northern ports, some of which have already been seized and are now the subject of prize courts, are to be protected by this kind of insurance, and whether the Government stands back of them?

Mr. CAMPBELL. This resolution is to make in order a bill providing for war risks in the transportation, not of cotton and grain alone—it does not have to protect cotton, because cotton is not contraband of war, nor are cotton goods.

Mr. MOORE. But it would be under certain circumstances?

Mr. CAMPBELL. Not at all. It is not so declared by the London agreement nor by the Governments of Great Britain or Germany to our Secretary of State since the war began.

Mr. PAYNE. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Kansas yield to the gentleman from New York?

Mr. CAMPBELL. Yes.

Mr. PAYNE. Will the gentleman allow me to refer to the language of the bill?

Mr. CAMPBELL. The bill mentions cotton.

Mr. PAYNE. The language of the bill is—

American vessels, their freight and passage moneys, and cargoes shipped or to be shipped therein, against loss or damage by the risks of war, whenever it shall appear to the Secretary that American vessels, shippers, or importers in American vessels are unable in any trade to secure adequate war-risk insurance on reasonable terms.

It insures everything shipped in American bottoms.

Mr. CAMPBELL. Or in foreign bottoms, if they come from the United States?

Mr. PAYNE. It says "American bottoms."

Mr. BORLAND. There is nothing about foreign bottoms there.

Mr. BRYAN. It says nothing about foreign bottoms.

Mr. CAMPBELL. The reason for the Government giving the insurance proposed is because the risk is so great that private insurance companies that have heretofore given this insurance are unwilling to issue insurance on such a risk.

Mr. MOORE. Mr. Speaker, will the gentleman pardon me for just this one interruption?

Mr. CAMPBELL. Yes.

Mr. MOORE. We have already voted to take over foreign bottoms and give them American registry. We are about to be called upon to expend \$30,000,000 in buying foreign ships.



Mr. CAMPBELL. I have not the time to yield for anything but a question.

Mr. MOORE. And this is to insure them?

Mr. CAMPBELL. That is the proposition.

Mr. BORLAND. Mr. Speaker, I want the gentleman to yield to me at that point, if he will.

The SPEAKER. Does the gentleman from Kansas yield to the gentleman from Missouri?

Mr. CAMPBELL. I will yield to the gentleman for a question.

Mr. BORLAND. I just wanted to know, so that the gentleman might call to the attention of the gentleman from Pennsylvania [Mr. MOORE] section 2, which says this insurance is confined to American vessels. It does not extend to foreign bottoms at all.

Mr. MOORE. We have already provided for that.

Mr. BORLAND. It includes cargoes as well as ships, so that the gentleman's question is fully answered by section 2.

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from Pennsylvania.

Mr. BUTLER. Does not this proposed legislation offer us a most excellent opportunity to get into a complication with one or more of these foreign powers?

Mr. CAMPBELL. Yes. That is what I fear. But I am disposed to trust the administration that is responsible to the country at this time for the policies it shall adopt. [Applause.]

I reserve the remainder of my time, Mr. Speaker.

The SPEAKER. The gentleman from Kansas reserves 16 minutes.

Mr. HENRY. Mr. Speaker, I will ask the gentleman from Kansas if he has anyone else who wishes to address the House?

Mr. CAMPBELL. I want 10 minutes, and I yield 6 minutes to the gentleman from Texas.

Mr. HENRY. I do not think I shall need it. I will yield 10 minutes to the gentleman from Pennsylvania [Mr. KELLY].

The SPEAKER. The gentleman from Pennsylvania [Mr. KELLY] is recognized for 10 minutes. The Chair desires to ask the gentleman from Kansas if he yields back 6 minutes to the gentleman from Texas?

Mr. CAMPBELL. No. The gentleman from Texas does not desire it. I reserve the remainder of my time.

The SPEAKER. The gentleman from Pennsylvania [Mr. KELLY] is recognized for 10 minutes.

Mr. KELLY of Pennsylvania. Mr. Speaker, the most interesting and eloquent thing I have witnessed during this term of Congress is this exhibition of the ease and facility with which the unwieldy and almost immovable wheels of governmental machinery may be set in motion by the magic power of private profits. The boasted checks and balances of our governmental system which were guaranteed by the founders as ample safeguards against hasty and ill-considered action, and which have served mainly to prevent the passage of humanitarian measures, are like gossamer strands before this urgent demand that certain property interests be insured from possible loss.

The magic power here evidenced is truly wonderful. Everything gives way before it. The bill provided for in this rule is in direct opposition to the fundamental ideas of the majority of the Members of this House. They believe that the Government should keep entirely out of the realm of business which they consider private business, but this measure puts the Government in the insurance business, which they regard as a purely private function.

I confess that I do not hold that view. I do not believe that the Government should keep its hands off everything except the preservation of peace and the maintenance of order. I am in favor of the Government putting its hands on everything where such action means the welfare of all the people.

But I call attention to the fact that the remarkable power which declares that this measure is absolutely necessary is able, first of all, to overcome the fundamental views of the very men whose votes will assure its enactment.

But that is not all, for still other difficulties have been overcome. Every cog and wheel of governmental machinery have been set to whirling with precision at a moment's notice. The Treasury Department has prepared the bill; it has been introduced and referred to the Committee on Interstate and Foreign Commerce; hearings have been held and the testimony printed; a favorable report has been made; the bill has been placed on the calendar ready for consideration.

Still that is not all. The Rules Committee for two months has been a cavern with an immovable stone before its entrance, and no frenzied plea or frantic demand has caused a tremor in its obstructing security. But this measure was the "open sesame" of more than Arabian Nights power, and before it the

rock moved aside and an instant entrance was effected. Supporters of woman's suffrage and other measures now on the calendars have tried for months without avail to accomplish what has been done in a moment on behalf of this war-risk insurance bill.

What is the power that is able to work these transformations and revolutions? I find the answer in the report of the hearings before the Committee on Interstate and Foreign Commerce. Mr. Kirlin, of New York City, is testifying and giving the reason for immediate action. He says:

I shall not claim much time in the discussion of the question of the sufficiency of the American market to take care of this insurance, for the reason that 62 gentlemen who assembled in the office of the Secretary of the Treasury and who represented the chambers of commerce, clearing-house committees, and some shipping organizations all through the West and South, as well as the East, told the Secretary that they could not get their risks insured, as a practical matter, upon any terms that would enable them to sell their products.

When the chairman of the committee asked Mr. Seth Low, of New York City, the chairman of the conference that appeared before the committee, as to what would be the result in the future, Mr. Low said:

I think the ships will come under the American flag with the ship-registry bill you have passed and with this bill, if it is enacted into law, and the President, of course, under the ship-registry bill has the authority to suspend some features of the navigation laws which at present are very embarrassing. I am not able to say that our American ships will permanently stay under our flag, unless the competition is made even and we are free from all disabilities. If we are, I think you can believe that American energy and American enterprise will keep our ships under our flag.

The chairman, Mr. ADAMSON, then asked:

They will stay under our flag if the business pays, and if it does not they will not?

Mr. Low answered, "That is it exactly."

Here, then, is the answer. The magic power which starts the governmental wheels of machinery to work under such an emergency as this is the demand for the guaranty of private profits.

I am not saying that no emergency confronts us, nor am I saying that the different steps taken in the rapid consideration of this bill are not justified. But I do declare that this exhibition of what can be done should be an inspiration to those who see in less lurid events and conditions than the war in Europe the presence of an emergency and the need of prompt governmental action.

This is a war-risk insurance bill, and its entire purpose is to protect cargoes of American products shipped on the high seas. It is a dollar-and-cent proposition, and its entire appeal is from that standpoint. What will it do? The testimony before the committee is that its passage will mean that some 200 vessels will be brought under the American flag to take advantage of its provisions. The testimony further shows that the average cargo is valued at \$1,500,000. Taking it for granted that these 200 vessels, containing cargoes of that value, will be insured against war risks by the Government under this bill, taking it further for granted that each and every one of the vessels are captured and their cargoes confiscated, the total loss would amount to \$300,000,000. These are fanciful suppositions, but we may take them as the very maximum of possible loss.

Early in this term I introduced a measure providing for a social insurance commission. Its purpose is to secure collective action in insuring against accidents, sickness, unemployment—misfortunes which affect the whole Nation as well as the particular individuals who suffer directly. On August 1, 1913, in a speech in the House I urged action, and said:

The duty of defining the responsibility in each of these sources of waste must rest with Government. Voluntary action has not and can not meet the problems and deal with them. Social and industrial justice will never come voluntarily from great corporations. None of the great combinations of capital, engaged in vast industrial enterprises, will uphold justice when it lessens the golden stream into the strong box. Of the few and halting steps made by certain corporations, and which are pointed out by the forces of reaction as seven-league strides, not one but has been a frankly avowed attempt to increase earnings and dividends.

It requires a power greater than business and industry, a power that represents the interests of all classes, to define justice and to maintain it, and that power in this Nation can be nothing save the power of the people's Government.

Since the day I uttered those words more than 100,000 Americans have given up their lives in accidents on railroads, in mines, and mills, and in the myriad of ways which make up the carnage of peace. Five hundred thousand Americans have been seriously injured at their daily work, with the uncounted toll such accidents levy upon dependent ones. The cost of such a toll in dollars and cents can only be measured approximately, but George E. McNeill, of the International Underwriters' Association of America has evolved a system of computation which, if followed out, would indicate that the annual loss of earnings alone to the workers of this Nation through accidents is



\$350,000,000. That is a greater loss than all the cargoes of all the ships planned for under this bill. Why should not such a loss, occurring every year, be recognized as an emergency which would set all the wheels of governmental machinery into motion?

Sickness and unemployment cause even greater loss. One million two hundred thousand persons between the ages of 20 and 65 have been continuously ill during the past twelvemonth. Figuring their earnings at the average yearly income of all wage earners, \$435, the direct dollar-and-cent loss would be \$500,000,000 and more. Unemployment during the most prosperous times affects one out of every five wage earners, and the loss in earnings from that source alone every year approaches \$900,000,000. Why is not such a ruthless waste sufficient to stir governmental action as quickly as a threatened loss on the high seas?

I believe the passage of this war-risk insurance bill will hasten the passage of a social-insurance measure. I believe that the people will realize that if it is advisable to take collective action to insure cargoes against loss it is far more advisable to take collective action to insure justice and equity and a fair chance to human beings. It may seem a far cry from this step to the one advocated in my bill for social insurance, but the trend is the same. Even the emergencies which come upon us by chance and without direction may lead to action which should rightfully have been taken long ago. It is to be regretted that statesmen allow such vital action to be taken only in emergency and do not seek to control and direct a logical trend toward justice and the protection of human rights as well as property rights.

I believe that this admission on the part of great private concerns that they can not perform the task that confronts them and must have the helping hand of Government is something well worth noting by every American. These interests do not cry out against paternalistic action when the benefits come to them. It should be the part of Congress to see that this function once undertaken be continued. The Government should not take all the risk during such times as these and then when the hazards are over turn the insurance back to those who retreated in time of danger and stress. The Government can continue this business permanently and efficiently, as it does the parcel post, and in a way to promote the welfare of the American people.

Mr. GOLDFOGLE. Will the gentleman yield for a question?

The SPEAKER. Does the gentleman from Pennsylvania yield to the gentleman from New York?

Mr. KELLY of Pennsylvania. I have not time to yield. I have only a moment.

The SPEAKER. The gentleman declines to yield.

Mr. KELLY of Pennsylvania. Mr. Speaker, I believe that out of this remarkable exhibition of governmental celerity will come something that will be still more eloquent. We will see that if it is possible to set all the machinery into motion—if it is possible to turn completely from theorizing to action, on the ground of emergency which endangers private profit—it is possible and advisable to do all this for the sake of the human interests of this Nation. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. HENRY. Mr. Speaker, I yield four minutes to the gentleman from New York [Mr. GOLDFOGLE].

The SPEAKER. The gentleman from New York is recognized for four minutes.

Mr. GOLDFOGLE. Mr. Speaker, the purposes of the bill for the immediate consideration of which the rule is offered must be obvious to the membership of this House. It is an emergency measure, and the existing war conditions call for the immediate passage of the bill. I congratulate the gentleman from Kansas [Mr. CAMPBELL], my colleague on the Rules Committee, for his patriotic expressions and his fair statement that there is no partisanship or politics in the measure. Our cotton, wheat, corn, and other products are awaiting shipment to the other side, yet private companies and private capital will not or can not adequately undertake to insure the cargoes against the risks that are now, in view of the European war, incident upon the sea.

It is proposed that our Government's undertaking to insure against war risks is to be only temporary and to meet the present emergency. But the gentleman from Pennsylvania [Mr. KELLY] suggested that the bill and the insurance it contemplates was in the interest of private capital. In this he is, I feel certain, seriously mistaken. If private capital can not or will not undertake to insure against these war risks—and they surely are great and many—why should the Government hesitate to lend its aid in the effort to transport our products across the sea and thus expand our commerce, promote our trade, facilitate

our business interests, and bring back to our land gold for our commodities?

Mr. KELLY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. GOLDFOGLE. I have not time now.

The SPEAKER. The gentleman declines to yield?

Mr. GOLDFOGLE. The gentleman from Kansas [Mr. CAMPBELL] inadvertently, I think, said this bill was intended to effect insurance upon contraband of war, among other things. I desire to correct that statement. The gentleman in making it was in error. The insurance is not to be on contraband goods. It is to be against loss or damage of American vessels, their freight, passage moneys, and cargoes shipped or to be shipped therein.

We all keenly appreciate and deplore the awful and terrible conditions that have arisen out of the war. Let us here who happily dwell in peace do whatever lies in our power to relieve our people from the stagnating effects the war may have upon our international commerce and our trade abroad. The measure proposed will to a great extent meet a most pressing need. The conference that recently met to consider this problem of war-risk insurance was composed of some of the most representative and best-informed men in the business, commercial, and financial world. They have approved the system which the bill provides. I am indeed glad that the administration favors the immediate passage of the bill, and it seems to me that every consideration of American patriotism, every consideration of business interest and necessity, every earnest desire to benefit our people by promoting trade and commercial activity, should move the Members of this House, without a dissenting vote, to pass the rule.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. HENRY. Mr. Speaker, I yield three minutes to the gentleman from Missouri [Mr. BORLAND].

Mr. BORLAND. Mr. Speaker, this bill is needed by the country, whether we regard it from the narrower standpoint of the necessity for an outlet of our own trade and the extension of a market for our own products, in view of the present condition abroad, or whether we regard it from the broader standpoint of humanity—that of the need of foreign nations for those products. To me commerce is reciprocal in its beneficence. I have never seen the sinister phase of commerce that the gentlemen here have referred to.

I congratulate the gentleman from Kansas [Mr. CAMPBELL] on some of the broad sentiments expressed in his speech and upon his determination to support the measure, but I realize that he does it feeling that under the doctrine of the party in which he is such a conspicuous member the extension of the American trade is not a desirable thing; that we ought, for some reason or other, to include America in some sort of a Chinese wall. I also sympathize with the gentleman from Pennsylvania [Mr. KELLY] in his desire to extend the benefits of governmental activity to the wage-earning class; and yet I can not agree with the doctrines of his party, if they are the doctrines, that a profit made by American business men is necessarily and inherently sinister. I do believe in the doctrine of the Democratic Party and the Democratic administration—that the thing for Congress to do in this emergency is to set American business free, and that is what we are trying to do in this bill.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. KELLY of Pennsylvania. The gentleman favors the proposition for war-risk insurance?

Mr. BORLAND. Yes.

Mr. KELLY of Pennsylvania. Would you continue it in case it works well beyond the time of the war?

Mr. BORLAND. I am not at all sure but that I would.

Mr. KELLY of Pennsylvania. After the emergency is over, if it does the business more efficiently than the private interests would do it, would the gentleman continue it?

Mr. BORLAND. I am not at all certain but that I would, although I have not considered the question. To-day we are confronted with cargoes of American products waiting in the harbors to set sail for places where the world needs those products. When we say that this measure sets commerce free we mean not only men who stand at the head of the commercial interests of the world, but every honest producer and wage earner. The producer whose labor has entered into these great products is under the protection of this bill. Commerce is widespread in its beneficial interests. It is universal in its ramifications. Every man who takes a dinner pail and goes to a factory and puts in eight hours' work is entering into commerce and creating the material wealth of the world. Every



farmer who produces a crop is entering into commerce, and this measure is for the benefit of all. [Applause.]

Mr. CAMPBELL. Mr. Speaker, I yielded four minutes to the gentleman from Missouri [Mr. BARTHOLOLT].

Mr. BARTHOLOLT. Mr. Speaker, I am frank to confess that I have serious misgivings regarding this legislation. I am not quite sure whether if this bill is put upon the statute books it will not indirectly involve us in the danger of violating our neutrality, and for this reason: Of course I am in favor of extending and expanding American trade, but it is questionable in my mind whether that extension should be had at the risk of jeopardizing our neutral position, and whether it will be a beneficial thing if we know in advance that the bill would have a one-sided or partial effect. I am quite certain that these American ships which are to carry our grain and cotton to Europe will land exclusively in British ports. They will, of course, make the excuse that the channel being mined and the North Sea being mined they could not proceed any farther than British ports. Consequently this extension of the American trade must result in succor to belligerent nations and only the belligerents on one side, and not on the other. It will benefit England and France to the exclusion of Germany and Austria. I merely wish to submit these considerations to the careful thought of the House.

It is well known, Mr. Speaker, that for a hundred years American diplomacy has tried to secure immunity of private property at sea in time of war. At every peace conference we have iterated and reiterated our position in favor of such immunity. Is it not strange, Mr. Speaker, that not a word is said in the newspapers how necessary such immunity is to-day? The only nation on the globe which has prevented an international agreement in favor of immunity of private property at sea is Great Britain. She has contended for a continuation of the piracy which, unfortunately, is now the rule in the world.

Mr. STAFFORD. Will the gentleman yield?

Mr. BARTHOLOLT. No; I have only a few minutes.

Mr. STAFFORD. The gentleman is in error.

Mr. BARTHOLOLT. I am not in error. The United States Government has gone on record for a hundred years in favor of it. At the first and the second Hague conferences our delegates demanded an agreement in reference to the immunity of private property at sea in time of war, and all other nations were willing to join hands with us. England prevented that agreement.

Mr. KINKEAD of New Jersey. Will the gentleman yield?

Mr. BARTHOLOLT. Yes.

Mr. KINKEAD of New Jersey. I had the honor to be a delegate with my colleague from Missouri; and I want to verify the statement that he is now making in regard to the conference at The Hague. [Applause.]

Mr. BARTHOLOLT. Mr. Speaker, I thank my colleague from New Jersey for affirming my statement. Again I call attention to the fact that these ships sailing under the American flag will under no circumstances be able to reach Germany or Austria, and the practical effect of this legislation will simply be to feed England.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. HENRY. Mr. Speaker, I hope the gentleman did not intend to criticize any of the belligerents in the troubles now going on over on the European Continent. If he did so, I regret very much that he saw fit to go that far.

Mr. Speaker, in this great crisis of the world it is properly and entirely wise, I think, that we should pass this emergency bill, and in view of what has been said here I do not think I can better state the purpose of the bill that is to be considered after the resolution is adopted than to read several lines from the splendid report accompanying the bill. This report is lucid, strong, and, I think, a most convincing document, and I read this part of it:

This bill is rendered necessary by reason of conditions arising from the state of warfare existing among different nations at the present time. It is an emergency measure to continue in force only so long as the emergency exists. It creates in the Treasury Department a bureau of war-risk insurance for the purpose of insuring American ships and cargoes shipped therein against loss or damage by the risks of war.

A conference called by the Secretary of the Treasury to consider the grain export and the foreign exchange and shipping situation met in the Treasury Department August 14, 1914, with 62 representatives of business, trade, shipping, and banking attending. It was the consensus of opinion at the conference that one of the pressing questions of the present time was the provision of means for transporting grain, cotton, and other merchandise abroad and war-risk insurance.

The enlarged registry of American ships and action by the Government supplementing what private companies might be able to do in connection with insurance would rapidly solve the question of exports of grain and cotton and of foreign exchange. Foreign exchange, it was declared, will find its equilibrium when the United States gets the ships and moves the grain. To illustrate the pressing need, representatives

at the conference called attention to the congestion of American grain and other staples at the seaports and in the interior awaiting transportation. It was pointed out that Great Britain, France, and Belgium are now insuring the vessels and cargoes flying their respective flags against war risks.

That states the case, and I believe that the emergency calls for action, and that this bill should be speedily passed. Therefore, Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. BUTLER) there were—ayes 114, noes 2.

So the resolution was agreed to.

The SPEAKER. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 6357, the war-risk insurance bill, and the gentleman from Tennessee, Mr. GARRETT, will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 6357, with Mr. GARRETT of Tennessee in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk reported the bill by title.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ADAMSON. Mr. Speaker, I yield to the author of the House bill, the gentleman from Missouri [Mr. ALEXANDER], such part of 20 minutes as he desires to use.

Mr. ALEXANDER. Mr. Chairman, the conditions confronting us at this time grow out of the war in Europe. We have had no agency in creating the conditions, but we are the victims of the war in Europe. Many emergencies have arisen, and will continue to arise while this war is in progress, that may demand emergency legislation on the part of Congress. It would be a reproach to our form of government if there were a lack of power in the Government to frame legislation to meet these emergencies. This same committee of 62 business men, representing the commercial, shipping, and banking interests of the country, to which attention has been called, came to Washington and urged the passage of the ship-registry bill, admitting foreign-built ships to be registered under the American flag for the foreign trade. It is a matter of common knowledge that about 92 per cent of our commerce has been for many years past carried in foreign ships, and the most of it in ships belonging to the belligerent nations, Great Britain being our principal carrier. When war ensued in Europe the German ships, the British ships, the French ships, and those of other maritime nations in Europe now engaged in war, with some few exceptions, were compelled to suspend operations. The result has been a paralysis of our foreign commerce. It has been said that we should exercise caution; that we should avoid international complications; that we should be careful to observe the laws of neutrality. I thoroughly agree with those who express that opinion; but in view of the fact that in the past 92 per cent of our foreign commerce has been carried in foreign ships, and the merchant ships of other nations now involved in war are no longer available for our commercial purposes, emphasis is given to the necessity for us to provide a merchant marine of our own.

In years past we were content to let the merchant marine of foreign nations carry our commerce, although many thoughtful men knew the time would come when it would be necessary for us to have a merchant marine of our own, and this present crisis only emphasizes the great importance of our providing a merchant marine for ourselves in peace, if we would meet and provide for such emergencies as confront us at the present time. It is an object lesson to the American people that should not be forgotten as soon as the present emergency passes. We are the victims of conditions in Europe, and, as I said, without any fault of our own. It was thought by some that if we passed the shipping bill American capital would invest in foreign ships and bring them under our flag and meet present conditions and open up the way for our commerce in the foreign trade. Capital is always timid; it is not inclined ever to take any unnecessary risks. No sooner had we passed the ship-registry bill than the same gentlemen—and, I think, with much reason, in view of the action of the belligerent nations in Europe in undertaking to carry the war risk on their own vessels—insisted that Congress should pass an act authorizing the Government to carry the war risk on vessels under the American flag and their cargoes. It was urged that a bureau of war-risk insurance be created in the Treasury Department or some other department



of the Government to carry the war risk on vessels under our flag.

Mr. MOSS of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. Yes.

Mr. MOSS of West Virginia. I noticed in the registry bill that the term "foreign-built ships" is used. I notice in section 2 of the bill under consideration the expression is used, "make provisions for the insurance by the United States of American vessels." Does the gentleman not think that is somewhat ambiguous and that it would be better to use an expression something like this: "Vessels which properly and legally fly the American flag"? Otherwise it might be confined to American-built ships or vessels owned by Americans, strictly.

Mr. ALEXANDER. Mr. Speaker, I hardly think it is necessary to do that, for if they are American vessels they must be vessels registered under the law of the United States. If I were to use technical language, I would have said "vessels of the United States," but I think the term is sufficiently clear and is free from any ambiguity. If they are American vessels, they can be such only if they are registered under the laws of the United States, and that would include American-built vessels and foreign-built vessels admitted to American registry under the act that we have recently passed.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. Yes.

Mr. MOORE. Mr. Chairman, I thoroughly appreciate the hard labor the gentleman from Missouri has put in on these ship bills. I do not think any man in the House has worked harder to inform himself on these important questions. In view of his address supporting the bill giving American registry to foreign-built ships, and the statement he has just made with regard to the decline of the American merchant marine and the desirability of reconstructing it, I should like to ask the gentleman whether, as a matter of fact, we are not now entering upon a brand-new plan of upbuilding the American merchant marine in the guise of an emergency, a plan first advanced in the bill to purchase foreign bottoms and now followed up by the suggestion of a Government guaranty that those who do business in these bottoms will not suffer loss, which is to be followed by a third step—the advance of \$30,000,000 for the purchase of vessels to establish a merchant marine?

Mr. ALEXANDER. I would say not, so far as this bill is concerned. I do not regard it as part of any general plan to build up the American merchant marine. It is an emergency measure, pure and simple. I am in favor of having the bureau abolished just as soon as the emergency has passed. I am not in favor of this bureau of war-risk insurance becoming a permanent bureau. I am not in favor at this time of the Government entering into the marine insurance business, and the bill expressly states that it is an emergency matter, and just as soon as the emergency passes the President has the authority to suspend further operations of this bureau.

Mr. MOORE. Does the gentleman think that if this emergency board were created solely as a war-emergency measure the necessity for it would pass away at a time when, under the plan contemplated by these new bills, the American merchant marine would have actually been started under the new system?

Mr. ALEXANDER. If I understand the gentleman, he has the idea that if this bureau is created in the Treasury Department that its functions can be exercised in peace as well as in war. Through the bureau to be created the Government is authorized to issue war-risk policies. They will be issued, of course, upon war risks, and there will be no occasion for the existence of the bureau or the exercise of its functions except in time of war, so that even if this law should remain in force, or if this bureau should continue in existence, there would be no occasion for the exercise of its functions. Hence, I am in favor of abolishing the board when it has finished its work, and stop the expense in time of peace. It may be brought to life again if conditions should arise similar to those existing at the present time and to serve a like purpose.

Mr. MOORE. In view of the very important conferences in which the gentleman has taken part, will he state if these three bills that we have been called upon to consider are really a part of a policy to rehabilitate the merchant marine, that policy being based upon the alleged emergency which has arisen?

Mr. ALEXANDER. I would say this bill is no part of any such policy at all. It is to meet an emergency now existing and has no other purpose whatever. Speaking for myself, I do not hesitate to say it is no part of any policy I have in mind to rehabilitate our merchant marine.

Mr. MOORE. Has the gentleman given consideration to the years it may take to adjust differences that may arise as the

result of the passage of this bill following the seizure of American cargoes?

Mr. ALEXANDER. I presume if any questions arise as to the liability of the Government in event of loss or damage, those questions will be settled by the bureau, or in event of disagreement, through the courts or in some other way, and it may take years to determine the liability of the Government, but that will not occasion the continuation of the functions of this bureau. So the gentleman from Pennsylvania need not regard that matter seriously in weighing the merits of this bill.

Mr. ADAMSON. Mr. Chairman, I would ask the gentleman from Missouri, on the topic being considered by him, and the gentleman from Pennsylvania to make clear to the members of the committee that there is no intention or purpose to insure any risk on the ordinary perils of the sea but absolutely the casualties of war only.

Mr. ALEXANDER. That ought to be clear to anybody who has read the provisions of the bill.

Mr. GOULDEN. Will the gentleman permit just one question?

Mr. ALEXANDER. I will yield.

Mr. GOULDEN. What proportion of the 92 per cent of foreign vessels carrying our goods up to this time are owned by American citizens, either in part or whole, or by corporations controlled by our people?

Mr. ALEXANDER. It is impossible to state.

Mr. GOULDEN. Can the gentleman give an estimate?

Mr. ALEXANDER. In the investigation of the so-called Shipping Trust by the Committee on the Merchant Marine and Fisheries, Mr. Franklin, of the International Merchant Marine, testified, as I now recall, that about \$100,000,000 of American capital was invested in foreign ships.

Mr. GOULDEN. That would be in the neighborhood of 40 or 50 per cent, I take it.

Mr. ALEXANDER. Oh, I would not say that. I would not undertake to say how much money is invested in the merchant marine of the maritime nations of Europe.

Mr. GOULDEN. About that, I should imagine.

Mr. BOOHER. Will the gentleman yield?

Mr. ALEXANDER. I will, with pleasure, to my colleague.

Mr. BOOHER. Is it the intention of this bill that goods may be bought by foreign Governments through their agents in this country and placed in American ships and those Governments insure those goods?

Mr. ALEXANDER. I would say it is not the purpose of this bill to authorize our Government to carry the war risk on goods consigned to a foreign Government.

Mr. BOOHER. There is no provision in this bill exempting them. It says all goods shipped in American vessels. Then we would give foreign Governments the right to buy a cargo of goods here—wheat or corn, or whatever it might be—and put it in an American vessel, and then the Government insures it under this bill, as I read it.

Mr. ALEXANDER. If one of the belligerents in Europe should buy wheat, corn, or other goods in this country, it would hardly be expected that our Government would insure the war risk on the commodities. I have the regulations which were reported by a committee in England appointed by the Government suggesting the rules for war-risk insurance to be assumed by the British Government, which I am going to put in the Record. I assume—just let me answer the question—that our Government will not take a war risk on any contraband of war, much less assume the war risk on cargoes consigned to the Government of any of the belligerents.

Mr. BOOHER. That does not answer the question. Now, suppose some Government comes to this country through its agents and buys goods that are not contraband of war and puts them on an American vessel. Will we then insure the foreign owner for his goods shipped in the American vessel?

Mr. ALEXANDER. I presume we will under proper conditions, and I suppose this bureau will exercise discretion and that the rules to be promulgated under this law will be such as to safeguard us against any complications that may involve us in any possible way with foreign nations.

Mr. BOOHER. Does the gentleman think this Government ought to insure the goods that are purchased by one of these belligerent nations? Would not that involve us at once with the others who had no interest in these goods?

Mr. ALEXANDER. Possibly that is true, and should we do so we would have the loss to pay, but I am not going to assume our Government will do any such thing.

Mr. BOOHER. The gentleman says it can be done under this bill.

Mr. ALEXANDER. It may be broad enough to do it, but I assume that the regulations which will be made to carry out the



terms of this bill will not include anything that is contraband of war.

Mr. TOWNER. Will the gentleman yield?

Mr. ALEXANDER. I will.

Mr. TOWNER. I would like to ask the gentleman from Missouri if there are not now private companies who are willing to take this war-risk insurance?

Mr. ALEXANDER. I do not know of any.

Mr. TOWNER. Is the emergency that we are asked to meet because there are no private insurance companies that would take war risks, or is it merely for the purpose of making smaller and cheaper rates than are now offered by private companies?

Mr. ALEXANDER. I presume the purpose is dual. First, the private companies will not issue policies covering war risks entirely; are not willing or able to carry the entire risk. The policies which will be issued by the Government will not cover the ordinary marine risks at all. They will be essentially war risks.

Mr. TOWNER. I understand that, but I have this kind of a communication, and perhaps other gentlemen have received it from people interested in shipping interests in New York who say that the rates asked for war-risk insurance are prohibitive, and urge us to vote for this bill in order to obtain cheaper rates. That is as I understand the situation as derived from information of that sort. Now, if that is the case, what we are asked to do is merely to subsidize these ships that are to engage in this business, is it not?

Mr. ALEXANDER. Well, I would not call it a subsidy, but I would say the Government is called upon to carry this risk and maybe at a less rate than the companies are willing or able to do it.

Mr. TOWNER. And that amounts to a subsidy, does it not?

Mr. ALEXANDER. It is a discrimination in favor of our shipping. In other words, an effort to help our trade in an emergency to move our commerce under the extraordinary conditions now existing.

Mr. KINKEAD of New Jersey. Will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman.

Mr. KINKEAD of New Jersey. The gentleman from Missouri and myself have had occasion to talk of these matters relating to the subject of the bill once in a while, and I would like to ask him whether the passage of this bill in his judgment will increase the number of ships engaged in seagoing trade? And before he answers that I want to call his attention to the fact that a bill that I introduced has been referred to the committee of which he is the chairman, and calls for the purchase on the part of the Federal Government of the North German Lloyd and the Hamburg-American Lines, and if this bill fails to do what is intended does he not think that the bill I introduced should be reported from his committee?

Mr. ALEXANDER. I would say no. I am not in favor of reporting from my committee any bill to the effect that the Government will buy the ships of the Hamburg-American Line or of any other corporation, association, or person. That would be a very unwise thing to do.

Mr. KINKEAD of New Jersey. Will the gentleman yield further?

Mr. ALEXANDER. Yes.

Mr. KINKEAD of New Jersey. The gentleman, of course, is only expressing his individual opinion in regard to this matter, and I assume from what he says the matter has not come up for consideration in the committee as yet, there being matters that require their attention elsewhere.

Mr. ALEXANDER. Certainly I am speaking for myself and not for the committee, as we have not considered the gentleman's bill. We have a bill pending before the committee, however, to authorize the Government to buy ships. But I hardly think that we would report a bill to this House to buy ships of any corporation, naming it. It would be very unwise in my opinion. I certainly would not favor it.

Mr. KINKEAD of New Jersey. That is the point I wanted to call the gentleman's attention to. There lie in the city of Brooklyn to-day half a dozen of the finest steamships that float, and if the Government contemplates the purchase of any lines I hope that the gentleman's attention will be directed to this fact, so that the Government may obtain the best that is available.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. ALEXANDER] has expired.

Mr. BUTLER. I hope the gentleman will consume more time.

Mr. ADAMSON. Mr. Chairman, I yield five minutes more to the gentleman from Missouri.

Mr. BUTLER. I will say to the gentleman that if the Yankee loads his goods, as no doubt he will load them, expecting great profit from them, and if the ship reaches the other side, he will

receive it. If the ship is lost, the Government will pay him his loss. Am I right?

Mr. ALEXANDER. Yes; if the policy issued by the Government covers the risk.

Mr. BUTLER. Now, does not this, in his judgment, very, very greatly increase our risk of peace?

Mr. ALEXANDER. I hardly think so, if this law is judiciously enforced. In the first place, there will be a war risk on the vessel. The vessel will be under our flag and entitled to the protection accorded by international law to a neutral. There may be an additional war risk assumed on the cargo, but contraband of war, I take it, will be excepted from that risk. So that if a neutral ship, a ship under our flag, should go into a foreign port having on board contraband of war, the contraband of war would be excepted from the risk and subject to seizure, and the foreign Government might levy upon and take possession of the contraband goods. That would be the concern of the consignee of the cargo.

Mr. BUTLER. I am not going to take the gentleman's time, but I want him to answer another question. There is a question now as to whether goods are contraband or not. Is it not likely that we might get into dispute with some foreign nation as to the character of goods we are hauling—as to whether they are contraband or not?

Mr. ALEXANDER. It is possible, of course, and might result in pecuniary loss to us. We must remember this, that it is not the expectation of our exporters that all our exports will go to Europe. One of the greatest demands for the extension of our shipping is to South America. That, to my mind, is the inviting field, and we can extend our trade in that direction without much risk. Heretofore our exports to South America have been carried by foreign ships, mostly ships of Germany and Great Britain. Those ships have been withdrawn from the trade on account of the great danger of capture and confiscation.

Mr. HUMPHREY of Washington. Mr. Chairman—

Mr. ALEXANDER. Let me finish this statement. Now, I want to bring ships under the American flag and have them owned by American citizens to engage in the South American trade and elsewhere as required. They will be our ships, neutral ships, but if necessary we will issue war-risk insurance on the ships and cargoes that may go to South America or the Orient. My view is that the war risk in that direction will be very small. There will be very small risk of capture or confiscation of any part of the cargo unless it should be shown that the cargo is being shipped to South America to be transhipped to Europe and is contraband. We must not overlook that fact.

Mr. HUMPHREY of Washington. Will the gentleman yield for a question?

Mr. ALEXANDER. I yield.

Mr. HUMPHREY of Washington. The thing I wish the gentleman would explain is the risk that is involved if it is not proposed to cover contraband of war. Where does the risk come in? What is the risk of running these vessels if that is counted out?

Mr. ALEXANDER. Suppose one of the belligerents on the high seas should sink one of these ships, whether with or without reason? Suppose they would confiscate the cargo without reference to whether it was contraband of war or not? The policy would cover just that class of risk. But if the cargo is in a neutral ship—and ours would be neutral ships—and bound to some foreign port, European or South American, ordinarily it would not be disturbed, but it is to cover those contingencies. Conditions in war times are abnormal, and must be met in some way.

Mr. BUTLER. The gentleman, then, is assuming that these belligerents will recognize the neutrality of our own ships and leave them alone. Can we safely rely upon that?

Mr. ALEXANDER. Not in every instance; no.

Mr. BUTLER. They did not recognize the neutrality of Belgium.

Mr. UNDERWOOD. Mr. Chairman, if the gentleman from Missouri [Mr. ALEXANDER] will yield a moment, I wish to say that it is a well-known fact that floating mines are being placed, or have been placed, in the North Sea. I think that would be a war risk, and if one of our vessels sought to navigate the North Sea, to enter a port there, and ran into one of these floating mines it seems to me that would be a war risk to be covered by insurance.

Mr. HUMPHREY of Washington. Mr. Chairman, if the gentleman will yield to me, I would like to know if it is intended by the Government to insure vessels that go into danger zones? For instance, are we going to insure one of our vessels



that goes into the North Sea after notice has been served upon us that it is dangerous? If so, I am opposed to this bill.

Mr. UNDERWOOD. The gentleman's question is a matter of discretion with the insurance company, which in this case would be this board. They would have the power. I simply wanted to point out that instance, where there would be a war risk without any belligerent appearing.

Mr. HUMPHREY of Washington. Of course, the gentleman does not anticipate that happening.

Mr. ALEXANDER. Norway and Sweden and Italy and Denmark and the Netherlands are not belligerents now, neither are Switzerland or Greece, and there are others I might mention; yet, at the same time, there is more or less risk growing out of the existence of war in Europe, and trade with those nations is subject to other than the ordinary marine hazards, and our American exporters hesitate to send their cargoes under our flag to those countries, even in our own ships, unless this risk is cared for either by private insurance companies or by the Government, and we are given to understand they are willing to pay the premiums if the Government will assume the risks incident to war.

Mr. Chairman, I have occupied as much time as I care to. I do not wish to trespass upon the time of others who may wish to speak. The Chairman, Mr. ADAMSON, has been very kind to me.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield to me for one question?

Mr. ALEXANDER. Yes; I yield to the gentleman.

Mr. JOHNSON of Washington. Is not the principal danger the fact that the ships will be suspected of carrying some contraband in a mixed cargo, and they will be towed into the ports of a belligerent and held there during the war, or for two or three years afterwards, at insurance rates?

Mr. ALEXANDER. I do not know. But one can think of a thousand ills that may befall an American ship and its cargo. An emergency confronts us. Will we meet the emergency, although it involves some risk, and be equal to the occasion? [Applause.]

Mr. Chairman, I ask leave to include in my remarks the regulations of the British Government governing war-risk insurance, to which I have referred. As I understand the method that will be followed, the marine insurance companies will insure the vessels and cargoes, including the war risk, and the Government will reinsure the war risk, or a certain percentage of it, and receive the premium.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to extend his remarks in the Record by including the regulations named. Is there objection?

There was no objection.

The details of the British Government's marine war-insurance plan, taken from the Shipping World of August 12, 1914:

#### BRITISH WAR INSURANCE—DETAILS OF THE SCHEME.

The subcommittee recommend (a) in the case of hulls:

(1) That arrangements should be made with the existing clubs or mutual war-risks associations that they shall extend their existing standard forms of policy to cover the King's enemy risks up to the arrival of the vessels at the final port on the voyage which they are making when war breaks out or hostilities have begun, and for 10 clear days after such arrival.

(2) That arrangements should be made with the existing clubs or mutual war-risks associations for the issue of policies covering the King's enemy risk on vessels starting on voyages after this country is at war.

(3) That the State shall reinsure 80 per cent of all these risks.

(4) That no premium shall be charged by the State in respect of voyages current at the outbreak of war.

(5) That for voyages begun after the outbreak of war the State shall fix the insurance premium to be charged on a voyage basis, and shall receive 80 per cent of such premium.

(6) That the State shall have the right to fix and vary the premiums from time to time, as may be considered necessary, within a suggested maximum of 5 per cent and a minimum of 1 per cent; but a rate agreed for a specific voyage shall hold good if the vessel sails on that voyage within 14 days of the completion of the insurance. On the other hand, if the starting of a voyage is delayed under the orders of the admiralty, the assured shall have the option of canceling the policy and receiving back the premium paid.

(7) That the clubs shall run the remaining 20 per cent of these risks, both before and after the outbreak of war, receiving for voyages commencing after the outbreak of war 20 per cent of the premium fixed by the State.

(8) That all expenses shall be borne by the clubs.

(9) That the club policy shall contain the following warranties:

(a) That no ship insured by the State shall start on a voyage if ordered by the Admiralty not to do so, and that under both the policy relating to a new voyage and the policy relating to the completion of the voyage any orders that the Admiralty may give to the routes, ports of call, stoppages, etc., shall be obeyed: *Provided*, That in case of breach the above warranty shall not operate if the assured can satisfy the committee of the club that such breach happened without the fault or privity of the assured and of the owners and of the managers of the ship.

(b) That the ship insured shall be deemed to be at all times fully insured against all perils covered by an ordinary Lloyd's policy (with collision clause attached) and containing an "F. C. and S." clause, and no claim whatever against which the ship is deemed to be otherwise

insured as aforesaid or against which she is, in fact, insured by any other insurance policy, shall be recovered under the club policy.

(10) That ships so insured undertake, as far as possible, to carry out the orders of the State in regard to their routes, ports of call, and stoppages. Failure to carry out such orders will involve an appropriate penalty, but such failure shall not be treated as a breach of warranty.

(11) That each club and its constitution shall be approved by the State.

(12) That the State shall be represented on the committee of each club.

(13) That the basis of values for the purposes of State insurance shall be the value accepted for income-tax purposes; that is to say, the first cost of the vessel without allowance for the cost of alterations or additions, less depreciation at the rate of 4 per cent per annum, but without any minimum limit per ton.

(14) That the club shall not be bound to pay a loss if the ship be recaptured or released or restored to the assured within six months from the date of capture.

(15) That claim shall be dealt with and settled by the committee of the club. If a claim be settled with the approval of the State's representatives on the club committee, the State to pay on the agreed figures. If the State's representatives protest against a proposed settlement, the liability of the State under its policy of reinsurance to be settled (failing agreement to refer to arbitration) by the courts of law.

(16) That in the event of loss by destruction or capture the first payment by the State shall be made at the end of six months after the event.

(17) That the liability of the State shall be discharged in three equal installments at 6, 9, and 12 months from the date of loss or capture, with interest at the rate of 4 per cent per annum.

(18) That a board of experts shall be appointed to advise the State on the question of rates and variations of premiums, and that the State shall have one or two representatives on this board.

(19) That this arrangement shall only extend to vessels which are in the clubs and which are under the British flag and registered in the British Isles.

(20) That the State should be prepared, if necessary, to make similar arrangements with other bodies than the existing clubs, provided such other bodies represent a sufficiently important amount of tonnage and can provide satisfactory machinery for the protection of the State in the matter of values and of claims.

#### 92. (B) In the case of cargoes—

(1) That no arrangement shall be made for the insurance by the State of cargoes afloat at the time of the outbreak of a war in which we are a belligerent.

(2) That immediately after the outbreak of such a war a State insurance office shall be opened in London for the insurance by the State against King's enemy risks of cargo starting on a voyage after the outbreak of war.

(3) That the rate of premium charged by the State for covering these risks be a flat one, irrespective of the voyage or the character of the cargo insured.

(4) That the State shall have the right to fix and vary such rates of premiums, within a maximum of 5 per cent and a minimum of 1 per cent. But a rate agreed for a specific voyage shall hold good, provided the cargo starts on such voyage within 14 days. If, however, the voyage is delayed under the orders of the admiralty, the assured shall have the option of canceling the policy and receiving back the premium paid.

(5) That the values of cargo for State insurance shall be the values agreed in the marine-insurance policies covering the same cargo.

(6) That these marine-insurance policies must be produced at the State office, when the State insurance of war risks is finally arranged.

(7) That the premium for insurance must be paid in cash to the State office when the provisional insurance is effected.

(8) That if, when the marine-insurance policies are produced, the values in those policies shall be less than the amount provisionally insured in the State office, the premium on the excess value will be refunded, but no increased value on a shipment will then be accepted.

(9) That marine-insurance policies will only be accepted by the State if issued by members of Lloyds, British insurance companies, and other approved insurance companies and underwriters.

(10) That claims under the State insurance policy shall be settled on the basis of the marine-insurance policy, but such insurance policy shall be deemed to contain such standard clauses—if any—as may be approved by the State in regard to the particular class of cargo insured.

(11) That the State insurance of cargo shall be confined to cargo on vessels insured by the State.

(12) That the State shall be prepared to insure all cargo on such vessels, irrespective of the nationality of the owner of such cargo, except, of course, enemy cargo.

(13) That a board or boards of advisers shall be established to assist the Government both with the administrative work of the State office and with the settlement of claims.

(14) That one of these boards should be appointed at once with a permanent secretary.

Mr. ADAMSON. Mr. Chairman, I yield three minutes to the gentleman from New York [Mr. Metz].

The CHAIRMAN. The gentleman from New York [Mr. Metz] is recognized for three minutes.

Mr. METZ. Mr. Chairman and gentlemen, in connection with the war-risk proposition, the risk of keeping our establishments running is also an essential one, and I want to announce to the House, so that the Members will know when they get requests for information on the subject, that the German Ambassador has assured me of his cooperation. I have a telegram from Rotterdam this morning to the effect that they are in communication with the Dutch plants on the Rhine, and they are going to keep the plants going, and we will get goods. That is all I want to say. [Applause.]

Mr. ADAMSON. Mr. Chairman, will the gentleman from Minnesota [Mr. STEVENS] use some of his time?

Mr. STEVENS of Minnesota. Yes. Mr. Chairman, will the Chair kindly notify me at the end of 20 minutes?



The CHAIRMAN. Very well.

Mr. STEVENS of Minnesota. Mr. Chairman, it is always an ungracious act even to criticize and much more to oppose a measure which is so generally commended by the public and especially by friends at home in whom one has confidence. This is also of much weight, that the measure was originally proposed by such an eminent committee of public-spirited citizens of the country whose judgment and advice is entitled to much consideration, but at the same time we can not evade our own responsibility, and it is our duty to analyze these important measures with care and frankly and truly state our conclusions upon them. The President and his administration well know that our criticism upon these emergency measures will not be captious or without foundation, and with that spirit I enter upon it.

When the matter came before the Committee on Interstate and Foreign Commerce I am free to admit my general ignorance of the subject. The information which was given to us upon that hearing was scanty, insufficient, and unworthy to be the basis of such an important measure; so that I complained at that time about it and gave notice of my dissatisfaction. The debate in the Senate was equally scanty and insufficient. The report of the committee does not convey the needed information; does not do justice to the subject—a subject of such great importance as this.

As best I could, in the short time which has elapsed since this bill has been on the calendar, I have endeavored to ascertain what the facts are concerning this necessity so claimed and to analyze them as carefully as I could upon my own responsibility; and I shall try to present to the House this afternoon the results of my own judgment.

I know that you gentlemen of the majority will, or at least you ought to, accord to us on the minority side the acknowledgment that we have always supported the measures of the administration which we believed to be necessary, and which were shown to us to be necessary, by proper showing and competent authority, for the welfare of the country. [Applause.] And if sufficient information had been given to us as a basis for the desired action, I should have been very glad to cordially support this measure; but it is because, it seems to me, the information shows to the contrary, it is because an analysis of this legislation shows that it is unnecessary and may be productive of unfortunate consequences that I criticize it this afternoon.

#### CLASSES OF PROPONENTS.

Whenever a great emergency arises which requires important remedial action two classes of people always come to the front and urge matters of legislation or administration—one a selfish, greedy class, who cunningly propose measures ostensibly for the public welfare, but really for their own private advantage; another class of enthusiasts, men who have not considered or thought through the matter carefully, who are reckless of the consequences of the legislation or administration which they urge and who do not seem to care for its possible use as a basis for other and similar action in the future.

Now, I will not charge that those who propose this legislation belong in either class, but at the same time the House should realize the consequences, both temporary and permanent, of what we are requested to sanction. That can not be escaped or evaded and should be thoughtfully appreciated. And right here, as an illustration of what is going on and in answer to letters which I have received and which doubtless every Member on the floor receives, I wish to give an illustration of one or both of these two classes, although the illustration has nothing particularly to do with this subject. I hold in my hand a letter printed in large type denominated "The Bache Review," which was sent by a New York concern, J. S. Bache & Co., as it is stated, to 31,000 bankers throughout this country, urging these bankers to write to Members of Congress requesting that a concurrent resolution be passed, urging the Interstate Commerce Commission to revise the recent rate decision. I have replied to my constituents and friends practically as follows—and that is why I use it to-day as an illustration—that the gentlemen who make this request, urging Congress to interfere with the decisions of the Interstate Commerce Commission, do not realize that the decision as to the great questions concerning transportation necessarily has been vested in the Interstate Commerce Commission; that that great commission has a tremendous influence and a tremendous power on that account, and that it has the confidence of the country, because it has so merited such confidence.

One reason why it has the confidence of the country is that so far it has been without any interference by either the executive or legislative branch of our Government. If on any

pretext Congress once attempts to interfere with any of the proceedings of the Interstate Commerce Commission, that will be the beginning of other interference, both by the executive and legislative departments, and interferences once commencing will bring the whole subject of the administration of the interstate-commerce law into partizan American politics. That will mark the beginning of the downfall of the system of regulation of the great transportation interests of this country. For that reason any attempt at this time from any source to interfere with the judgment or discretion on decisions should be very strongly condemned. Especially should any attempt to use this emergency as a pretext for attempting to extort more money from the pockets of the American people be severely condemned, when the commission after investigation and consideration, already too prolonged, has given its solemn judgment. These men indicate their willingness to subvert and even destroy our splendid system of public regulation for the sake of grabbing a few dollars right now.

Now, as I have stated, this is only an illustration of another of the measures which are being urged in this emergency, for things to be done which will result in the benefit of individuals or even large sections, regardless of the public welfare during the long future.

#### PROPOSALS OF THIS LEGISLATION.

What is it proposed to do by means of this legislation? There are practically two things which are urged in the preamble and in the hearings before the committee and in the newspapers throughout the country: First, that it is necessary to move the crops of the country to a profitable market to have passed this sort of legislation; secondly, that it is necessary for the benefit of and establishment of the merchant marine of the United States to supplement the recent ship-registry bill to give this encouragement, so that vessels now under foreign flags may change their registry to the American flag, because of the benefits accorded by this bill.

It is important, then, to analyze these two situations to find out if this bill can really help either of these necessities. It is true that American crops were not leaving for Europe very rapidly a week or two ago, but the improvement has been very noticeable during the past few days. Three reasons have been given why the crops do not move at the present time: First, lack of cargo-carrying vessels; second, lack of marine insurance as to war risks upon vessels, cargoes, and so forth, under the American flag; and third, the unfortunate condition of foreign exchange and the breaking down of foreign exchange, so that payment can not be had for the sales made to foreign nations. My own judgment is that the latter reason is practically the sole reason why we are not shipping our grain crops abroad at the present time in such volume and under such circumstances as desirable. Of course, wholly a different reason exists as to shipments of cotton. There is now an utter breakdown of foreign exchange between Europe and the United States. There is no use trying to analyze it here, but Europe owes our bankers a large sum of money which it can not pay in gold. Our bankers and investors owe Europe a very large sum of money now due, aggregating probably \$150,000,000, which we are not willing to pay in gold. Probably as large a sum will be due in the near future as interest and dividends on European investments in this country. Even more important, vast amounts of American securities would be at once sold if opportunity be offered and chances for payment afforded. There does not seem to be any arrangement for a working adjustment of these most important matters as formerly. The result is that credits are no longer used to make any movement of crops from this country to Europe or of merchandise from Europe here as formerly. Anything that is purchased here must be paid for in gold. Anything which is purchased in Europe, securities or merchandise, must be paid for in gold at this time, and that condition will continue until an adjustment of this question of foreign exchange and credits and balances and mutual confidence shall be reached. That more than any other one thing is breaking down the early movement of our grain crops and the stoppage of spinning our cotton.

But the crops have been moving during the last week or 10 days. During the last week large cargoes of grain and breadstuffs have been carried out of the southern ports, as well as out of the northern ports, and they have been paid for in gold. In the debate on this bill in the Senate the junior Senator from Massachusetts, Mr. WEEKS, made the rather significant statement that at the time he was making that speech there were 130 ships in the Atlantic ports of this country which could be chartered. I have here a clipping which I found in one of the Washington papers dated August 20, which gives a list of nearly a dozen vessels that left for Europe the day before, or that had started for England since the war began, which were high in the



water because of the lightness of their cargoes. Other ships tell the same story. I will insert several clippings in my remarks. It will be noticed that several of these ships are American liners, so there is no difference, apparently, as to cargoes whether the ship is under the American or English flag:

SHIPS TO ENGLAND GO LIGHTLY LADEN—BIG LINERS CARRY SOME FREIGHT, BUT TO ONLY PART OF CAPACITY—EXPORTERS FEAR FOR PAY—UNWILLING TO SEND PRODUCTS ABROAD UNTIL ASSURED DRAFTS WILL BE HONORED PROMPTLY.

NEW YORK, August 20.

Every ship that sails out of New York for English ports these days, sails light, though England is begging for food.

The liner *Celtic* left to-day with 5,000 tons of foodstuffs in her hold, when she might have carried 18,000 tons. The *Kroonland* left the other day with 4,500, with room for 8,000 more.

RIDE HIGH IN WATER.

The *Adriatic*, *St. Paul*, *New York*, *Philadelphia*, and others of the 13 ships of the International Mercantile Marine Co., which have departed for England since the war started, have ridden high in the water because of their lightness of cargo. Other lines tell the same story.

STORAGE HOUSES CHOKED.

Paradoxically, the storage warehouses in and around New York are choked with supplies for which England is offering fancy prices.

The reason why none of this food is going to England, officials of the trans-Atlantic lines assert, is because American shippers have no assurances that their drafts will be honored in England promptly and are unwilling to send their products abroad with nothing more tangible than a hope that they will receive prompt payment for their goods.

HELD FOR MORE FAVORABLE TIME.

Tons and tons of merchandise, these officials say, are held in check against the time when arrangements will be made to enable purchasers to pay promptly in gold for American supplies.

ENGLAND IS WELL SUPPLIED.

Although in need of foodstuffs generally, for the moment England is well supplied with grain, almost oversupplied, according to estimates made by officials of the International Mercantile Marine.

Mr. WEEKS. I will suggest to the Senator from North Dakota that floating mines are not necessarily capable of changing their location when they are planted. Mines are placed to defend certain waters, and they are anchored; but as a result of storms they frequently become detached from their anchors and then become floating mines and dangerous to general navigation. The setting adrift of mines indiscriminately, I think, has never been undertaken by any nation.

What I want to say to the Senator from Arkansas, however, is that I am confident everybody wants to do everything that is necessary to protect our interests in this emergency; and what this bill purposes to do seems to be following a course that has been adopted by belligerents on the other side, generally speaking. What I want to call to his attention is that at such a time as this we are apt to do things which are unnecessary. I assume that this bill is simply an anchor to windward, to be used in case of emergency, but not to be used in doing a general insurance business; and its value will depend on the quality of the men who are to put it into operation and their knowledge of insurance matters. Therefore, men with the very best technical knowledge on those subjects should be put in charge of this insurance bureau, with power to discriminate between the character of risks, as would be done by any other insurance company.

I am not confident that there is not ample shipping available to take all of our products to their market. A New York paper this morning states, for example, that there are 130 British ships in Atlantic ports waiting for cargoes; and somebody who wanted to send abroad a cargo of coal from Norfolk asked for bids, and 40 ships offered for that purpose. The Lloyd's risks are now lower on English ships carrying English cargoes than the risks offered by the English Government. They are down pretty nearly to normal, not over 2 to 3 per cent. I do not think we ought to go into the insurance business under those circumstances, but only when the risks become exorbitant, as they were 10 days ago.

NEW YORK, August 26.

The most spectacular development in the financial situation to-day was a jump of from 6 to 7 cents a bushel in the wheat market. Although probably due in part to the belief that recent German successes mean a prolonged war, this was chiefly the result of improvement in shipping and financial facilities.

SHIPPING SITUATION IMPROVES.

The spectacular rise in wheat, amounting to 7 cents in the September option, gave further indication of the improvement in the shipping situation and of the easier credit conditions now available for shippers.

Doubtless some of the urgent buying which has carried the grain market up so sharply during the past few days represents short covering and gambling for the long account by speculators, but the basis for the advance is the increased and increasing export demand for wheat and the improved facilities for shipping and financing shipment. Indeed, if the present export trouble involved nothing but wheat the situation would be practically normal. Unfortunately, it involves a great many other things, particularly cotton. The cotton situation continues to be a very serious one, both in its relation to foreign exchange and domestic banking. Nevertheless the improvement in the position of wheat, as evidenced by a sharp rise in that cereal, is a decidedly favorable and encouraging matter.

This hysteria is well illustrated by the clipping from Holland, one of the leading financial writers of the country, and its answer, from a clipping from the market column of August 21 and of the New York Herald of August 29:

NEW YORK, August 23.

Shipments of the country's foodstuffs to European ports were further facilitated to-day by the action of the eastern trunk railroads, which ordered a resumption of through bills of lading, subject to minor restrictions. It is expected this will have the effect of vastly increasing American exports and bringing about a gradual readjustment of the foreign exchange situation. But the British steamship lines which canceled charters at the old rates are not taking advantage of it.

When they canceled, complaint was made to the British Corn Trade Association, which complained to their Government. All British lines are now taking grain at the old rates.

IMPORTERS FEEL EASIER.

The announcement of Ambassador Page from London that English steamship service had been ordered to resume has resulted in an easier feeling in importing circles.

Lines that have responded to this feeling included drugs, chemicals, olive, coconut and other oils, rubber, and pig tin.

The spice market also is easier under the belief that many cargoes now held up in the Far East will proceed to their destination in America.

WHAT THE COUNCIL PURPOSES.

If this council can persuade the Government at Washington to aid in restoring, as far as possible, over-seas commerce it will have accomplished something which none of the members could have dreamed of two weeks ago. How curiously chaotic are our commercial conditions is reflected in a statement made by President Farrell to the council. He told this board as soon as it met that the United States must, as soon as possible, start the movement of exports.

An extraordinary situation now confronts us, Mr. Farrell admitted. For instance, if it were possible to sell the steel company's commodities in foreign lands for \$1,000 a ton, and if it were possible for the farmers to demand \$10 a bushel for their wheat, nevertheless not a pound of steel or a bushel of wheat could be exported. Therefore no sales could be made.

COOPERATION WITH BANKERS.

This council is to act in cooperation with the bankers, and as far as possible with the Government at Washington. In securing means by which cotton, grain, and manufactured commodities may be safely committed to the ocean-carrying ships. It is not so much a question of immediate relief to manufacturers and to foreigners, but it is a question of supreme consequence to the United States at this time that these commodities find safe transport and be assured of prompt payment.

The council was the first organized body to set forth the fact that it is essential that the Government itself provide means for furnishing war-risk insurance whereby both the vessels and the cargoes occupied with foreign trade may be protected. This council will be substantially continuous in meeting until the day comes when the announcement is made that vessels carrying American cargoes are abundantly protected against depredation and are reasonably insured, and, when consignors of cargoes learn that, payments will be made to them promptly.

HOLLAND.

Answer:

GRAIN EXPORTS INCREASE RAPIDLY.

Indications that exports of grain are increasing rapidly and that the movement is in a fair way to become nearly normal in the near future deserved more attention than they received. The week's wheat exports, according to Bradstreet's figures, were twice those of the preceding week and quite as large as those of the corresponding week of last year. The sharp rise in the wheat market reflected this improvement in the situation, and the disclosure of the Treasury Department's plans to aid in financing the export movement added to the satisfaction which was expressed in conservative banking quarters.

From page 18 of the New York Herald of this morning:

Although wheat is now being exported in record-breaking volume, there was no relaxation in the sterling exchanges. On the contrary, rates were appreciably stiffer. In some quarters this was attributed to the war news, which was interpreted as indicating a protraction of the struggle. In other quarters the high rates were ascribed to competition of individual remitters, with a demand for remittance against the city of New York's maturing obligations abroad.

Bradstreet's estimates the efflux of wheat and flour from both coasts for the week ended yesterday at nearly nine and a half million bushels, while Washington dispatches quoted Treasury officials as estimating the exports for the week ending with to-day at 15,000,000 bushels. Such a movement must speedily create large foreign credits, particularly as imports are now falling off. Evidence of return to normal conditions is seen in the reduction of marine-insurance rates and in the notice given by the eastern trunk lines to connecting carriers of a resumption of through bills of lading from interior points to Europe on exports via the Atlantic seaboard.

Again, I will quote from Bradstreet's report for this week:

Bradstreet's will say: "Crop reports are more favorable, particularly as regards cotton, tobacco, and corn; wheat exports, spurred by foreign necessity, are of enormous volume, close to the record, indeed; necessary foodstuffs, such as flour, groceries, and allied lines, are in active demand."

Again, from Bradstreet's report of this morning:

Wheat (including flour) exports from the United States and Canada for the week ended August 27, as reported by telegraph to Bradstreet's Journal, aggregate 9,397,627 bushels, the second largest total ever reported, against 6,940,770 bushels last week and 7,042,180 bushels this week last year. For the eight weeks ended August 27 exports are 55,060,012 bushels, against 47,417,532 bushels in the corresponding period last year.

Again, from the New York Herald, on page 18:

It is also evident that the export demand has fallen off on account of the higher prices, and private cables from Liverpool said that both Roumania and Russia had decided to permit exports of breadstuffs, and this will be in competition with the American market.

The developments in Europe seem to point to a prolonged war, which will increase European requirements. Most of the recent purchases for export have been for quick shipment, and, aside from the wheat, a very large amount of flour has been taken.

From the morning edition of the Philadelphia Ledger, page 8, the market report:

American steamship *Dominion* is due to sail for Liverpool at 10 o'clock this morning. Although this vessel has few passengers, she is expected to carry a large general cargo, comprised chiefly of flour, grain, and oil.



Again:

Few steamships are being chartered in any trade. There is still a light demand for tonnage under a free offering of boats, with rates easier.

Again, from Philadelphia Marine Notes:

Yesterday was the busiest day at this port since the beginning of the European war. When the exchange closed last night 27 vessels had arrived here or were bound up the Delaware for Philadelphia. Of this number 9 were barges, 9 schooners, and 9 steamships. Six of the steamships were under foreign flags. Most of the schooners and barges came from New England or eastern ports.

The fact is that during the last two weeks there have been abundant vessels ready to carry our cargoes of grain and breadstuffs and cotton. There is now no lack of vessel capacity at all, but, on the contrary, an abundant tonnage, at reasonable rates, caring for their own insurance, as the impartial testimony of these market reports clearly show. Lack of vessels and war-risk insurance are not the reasons why our cargoes are not moving.

#### REAL REASON FOR BILL.

But these gentlemen come before us and say solemnly, "We want these cargoes carried in American ships," and I am very glad to have them say so, and I think everyone in this House would like to have these cargoes carried in American vessels and would be glad to do any reasonable thing to have them so carried. But they state cargoes can not be carried in American vessels until this Government does what other Governments have arranged to do and inaugurates a system of war insurance to take care of the balances of insurance which the ordinary insurance companies can not assume of these war risks.

Mr. CLINE. Will the gentleman yield?

Mr. STEVENS of Minnesota. Let me just finish this thought. There is an abundance of cargo capacity in foreign vessels to take all of our crops right now, and it will continue throughout this season undoubtedly. Remember that the English, Belgian, and French Governments have departments of war insurance to take the war risks which ordinary insurance can not or will not assume. But they have to do so. They must have our goods and they can not wait or take any chances. Their situation is entirely different from ours, where all ships and all nations must seek our shores and buy our crops and transport them at their own risk. We need not concern ourselves about that.

Now, these gentlemen came before the Committee on Interstate Commerce and made this statement, that the marine insurance companies number in all about 16; and these companies can carry on a single vessel and cargo about \$1,000,000 worth of marine insurance among themselves, adjusting and allotting it as best they can; that the average amount needed on a cargo is about \$1,500,000, some more and others less; and they desired that the United States should assume the risk as to the extra \$500,000 on the average cargo; and that is what this bill is expected to do, with the marine insurance companies insuring all they believe they ought safely to insure. The effect of the statement is that they wish the United States to take the balance of \$500,000, which they feel they can not safely divide among themselves.

#### RESULT DESIRED.

The result is that the United States is asked to go into the insurance business temporarily for the sake of supplementing the resources of the insurance companies, assuming the risk for the sake of securing American tonnage to do the work which other tonnage could do equally as well. Now, that is the exact analysis of that situation as disclosed by the hearings, debates, proceedings of the committee, and the preamble to the bill itself, having in view the conditions of supply of foreign tonnage.

The facts show that our crops are moving in good volume; they are paid for as they go; that more will go as needed and paid for, but that foreign ships will carry the most of the exports. But American ships carry their full share, and so far no discrimination has appeared because England assumes war risks as to its own vessels.

No American ship has been yet shown to have lost a cargo, by reason of lack of this insurance, to a British vessel having its governmental insurance. I believe no such case exists. But we did pass a bill a week or so ago enabling foreign-built ships of any age owned by our own citizens to secure the register of the United States. It is now urged that these old ships can not afford to leave their present flag to assume ours unless we can give them equal benefits they now have of securing war-risk insurance from the Government itself. That is the argument and reason presented for this legislation.

#### WAR RISKS.

The substance of it is that the United States assumes this risk, which has a definite money value in the insurance world. It can be computed accurately in dollars and cents by actuaries and forms a component part of any premium or charge

and liability. We are asked to assume this risk of dollars and cents, as so computed and understood, to have these gentlemen fly the American flag and carry cargoes on foreign vessels which others could carry equally as well, or which these would otherwise carry under some other flag. That is simply a subsidy, no more and no less, for the sake of encouraging foreign vessels to fly the American flag temporarily to carry these cargoes, which would be carried anyway at equally good rates. I have voted for a ship subsidy in the past when I thought it would be for the advantage of the American people. I will vote for a ship subsidy again when I think it is for the advantage of the American people; but I call attention of gentlemen on the majority side of the Chamber exactly to what this proposition is—that it is nothing more nor less than a ship subsidy on foreign-built vessels to shift their flags for the sake of carrying cargoes which could be carried just as well and as cheaply in some other way. It is designed to encourage men to take vessels temporarily from a foreign flag and place them under an American flag. There is no showing or statement or promise that this shall be at all permanent. It is not claimed to be. It is only for the present emergency, to shift flags until it shall profit to shift back again. That is a fair analysis of what this measure is. I would not condemn it on that ground if it would result in any benefit to the American people. I confess the benefit to the people of this country has not been made plain to me. Our goods are being carried abroad right now, and the conditions promise to improve. These same ships will do business under other flags, with the same officers and crews, at the same rates. There is no expectation by this of building a permanent marine unless additional legislation be secured, and that is problematical. The total result is only a temporary shifting of flags under this bill. As I say, I have voted for ship subsidies, and I am willing to vote again for ship subsidies if such a policy will really benefit the American people. Let us ascertain whether this subsidy will be for the benefit of the American people.

#### EXTENT OF RISKS.

The war risks will not extend to South America, practically, because there is no war zone there. They will not extend to Africa for the same reason. They will not extend to Asia outside of the limited war zone now in German China. So that practically these risks will only extend to the belligerent sections of Europe and to the neutral sections of Europe which are within the war zone. Thus it would seem to be the sole purpose of this bill to issue this additional amount of war-risk insurance and apply it to vessels and their cargoes plying between the United States and the war territory in Europe, neutral or belligerent.

Mr. CLINE. Will the gentleman yield?

Mr. STEVENS of Minnesota. Yes.

Mr. CLINE. I want to inquire whether foreign commerce in agricultural products now being shipped abroad is taken as a war risk by private companies?

Mr. STEVENS of Minnesota. Yes; it is; and I will come to that a little later. The point is this: In the great bulk of cases whenever agricultural products are exported they are sold here in this country and the title passes whenever the purchaser receives the bill of lading with the bill of exchange attached. That transfers the title, and always has been so held. So, in the great majority of cases, because most exports are now made in that way, the risk is assumed in this country by the foreigner. He ships it in any vessel he pleases, and generally in foreign vessels, so that the risk is taken care of and assumed now by foreign vessels and insurance companies and Governments, if necessary, for the public use.

I do not believe that this legislation will change that situation. Our people will not sell unless they are paid. When paid, the foreigner controls the shipment; and there is no complaint as to ample facilities now for such goods. Our importers may complain some, but the ships which go out must come in, and they will gladly take our imports.

Mr. SCOTT. Will the gentleman yield?

Mr. STEVENS of Minnesota. Yes.

Mr. SCOTT. I want to ask the gentleman whether this insurance will be confined to cargoes from American ports?

Mr. STEVENS of Minnesota. The bill does not so confine its object, but that is the purpose of it, as it has been explained to us, contraband. Now, then, this bill is designed to carry cargoes to and from the United States to the belligerent territory. What kind of cargoes will be covered by this bill? It is stated, I think, by the President, and I think it was stated by those gentlemen who appeared before our committee and upon this floor that no contraband goods should be carried under this war-risk insurance. The House has had several discussions as to what constitutes contraband goods. Of course absolute contraband goods could not be carried in any vessel except it be subject to



seizure. Conditional contraband goods can under certain circumstances be carried. The Governments of Great Britain and Germany notified the Department of State that they had adopted the rules set forth in the declaration of London, and described the articles which they regarded as contraband and conditional contraband. Those have been officially promulgated by the Department of State, and these articles named in the statement will not be covered by war insurance, as those gentlemen have stated to us. I here insert the list of contraband articles set forth in the declaration of the international naval conference at London July 26, 1909, and as ratified by the United States Senate and as proclaimed by both Germany and Great Britain.

The message from the German Government, owing to errors in transmission, is somewhat obscure, but it is assumed to coincide with the English declaration and to define contraband as follows:

Absolute contraband:  
 Arms of all kinds, including arms for sporting purposes, and their distinctive component parts.  
 Projectiles, charges, and cartridges of all kinds and their distinctive component parts.  
 Powder and explosives especially prepared for use in war.  
 Gun mountings, limber boxes, military wagons, field forges, and their distinctive component parts.  
 Clothing and equipment of a distinctly military character.  
 All kinds of harness of a distinctly military character.  
 Saddle, draft, and pack animals suitable for use in war.  
 Articles of camp equipment and their distinctive component parts.  
 Armor plates.  
 Warships, including boats, and their distinctive component parts of such a nature that they can be only used on a vessel of war.  
 Aeroplanes, airships, balloons, and air craft of all kinds and their component parts, together with accessories and articles recognizable as intended for use in connection with balloons and air craft.  
 Implements and apparatus designed exclusively for the manufacture of munitions of war, for the manufacture or repair of arms and war material for use on land and sea.

#### CONDITIONAL CONTRABAND.

The following articles will be treated as conditional contraband:  
 Foodstuffs.  
 Forage and grain suitable for feeding animals.  
 Clothing, fabrics for clothing, and boots and shoes suitable for use in war.  
 Gold and silver, in coin or bullion, paper money.  
 Vehicles of all kinds available for use in war and their component parts.  
 Vessels, crafts, and boats of all kinds, floating docks, parts of docks, and their component parts.  
 Railway material, both fixed and rolling stock, and materials for telegraphs, wireless telegraphs, and telephones.  
 Fuel, lubricants.  
 Powder and explosives not specially prepared for use in war.  
 Barbed wire and implements for fixing and cutting the same.  
 Horseshoes and shoeing materials.  
 Harness and saddlery.  
 Field glasses, telescopes, chronometers, and all kinds of nautical instruments.

From this list it is evident that most of our agricultural exports, except cotton, will fall within the prohibited list and so can not secure this war-risk insurance.

The great mass of exports, even of manufactures, will not be covered by this war insurance at all. The great bulk of the exports, I presume 75 per cent, outside of cotton and cotton goods—and of course cotton and cotton goods are not contraband—outside of that I do not know but that 80 per cent would be covered by articles that I have read which would be prohibited from this insurance. I can not perceive its value from this condition. I do not believe that vessels which would carry these cargoes would leave flags where they can get this governmental insurance and come to our flag, where they can not, if such a bonus be the main purpose of the transfer of flag.

Mr. TEMPLE. Will the gentleman yield?

Mr. STEVENS of Minnesota. Yes.

Mr. TEMPLE. Is there any provision in the bill that forbids the insurance of contraband goods?

Mr. STEVENS of Minnesota. Not at all.

Mr. TEMPLE. The bill provides for the insurance of American vessels, their freight and passage moneys and cargoes shipped or to be shipped therein, against loss or damage by the risks of war, and so forth.

Is it not true that the British bureau of insurance for war risks does insure contraband goods?

Mr. STEVENS of Minnesota. That is true.

Mr. TEMPLE. And if we followed the example of other nations we would insure contraband goods?

Mr. STEVENS of Minnesota. Yes; and I think the House appreciates the great importance of what the gentleman from Pennsylvania has just stated. It is stated to us that under the bill contraband goods will not be insured. If it does not, it can not be used to insure much of anything except cotton and cotton goods. So only vessels carrying such goods could profit by this bill and come under our flag. This number will be small, as we all know.

The SPEAKER. The gentleman has occupied 20 minutes.

Mr. STEVENS of Minnesota. I will take 10 minutes more. If it does insure contraband goods, then in substance we violate our obligations and professions of neutrality to the great belligerent nations of the world. We have the two alternatives. If we do not insure contraband goods, this bill is practically worthless. It can only cover a portion of our exports which will move anyway whenever the nations are ready to use and pay for our cotton. This is not needed for such goods and it can not be used for other agricultural products, because they would be mostly contraband.

If we do insure contraband, then we lose our proud position of neutrality, and would be unable in the future to help these great belligerent powers when the time shall come when we can tender mediation and try to help to adjust these momentous matters. It seems to me that this is one of the great questions of humanity, that we should not do anything in any way which would interfere with our position of absolute neutrality, in spirit as well as in letter. [Applause.]

The result is that we can not, as the President has stated and as those who are responsible for this legislation have stated, fairly and honestly insure contraband. If we do not insure contraband, then there is practically nothing else to insure, except cotton, and that does not need insurance, because it is not contraband of war, and it can and will be purchased here as much as it can be used and paid for abroad. Foreign ships exist in abundance to take it abroad, and it will be purchased just as soon as foreign nations are willing to pay for it in gold.

Mr. BARTHOLDT. Mr. Chairman, will the gentleman yield?

Mr. STEVENS of Minnesota. Certainly.

Mr. BARTHOLDT. Is not grain conditional contraband?

Mr. STEVENS of Minnesota. Yes; I so stated. What can be done about the foreign ships to which my friend from Missouri alluded the other day? I confess that gives me much concern. The French Government, I notice this morning, served notice yesterday that it would object to the United States purchasing the German ships. I think the French Government need have no apprehension upon that score. Those great German ships are the finest ships in the world. The only place where they can be used profitably is in plying between the ports of the United States and of Europe, and the only ports where they can enter are the ports of the United States and England, because no continental ports of account are open, and I know that the German Government and the German people would prefer to have them rot rather than that those ships would be used to carry supplies to their enemies. They can not be used elsewhere, and I do not think anybody should have any apprehension upon that score; so that this insurance can not fit them.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. STEVENS of Minnesota. Yes.

Mr. ALEXANDER. Does the gentleman not think it very unwise, then, for the Committee on Merchant Marine and Fisheries to report out to this House a bill authorizing the Government to buy the German ships?

Mr. STEVENS of Minnesota. I do; but I have the greatest confidence in the judgment and patriotism and soundness of the gentleman from Missouri, as he knows.

Mr. PLATT. And those ships are not cargo-carrying ships?

Mr. STEVENS of Minnesota. They carry considerable amounts of cargo.

Mr. PLATT. But only express cargo.

Mr. STEVENS of Minnesota. They carry considerable amounts of peculiar and expensive cargo. I think the House should comprehend the condition also as to insurance in this country, because statements were made to our committee that sufficient insurance could not be secured to take this additional risk of about \$500,000 per cargo, where the average cargo would require about a million and a half dollars, and that the utmost insurance available for war risk was about a million dollars. It was stated that there are about 16 companies in and of the United States which could carry this marine insurance in this way, and are now actually doing this business. This House realizes, I know, that I have never ascribed any ulterior motives to anybody, and I do not desire to do it now in discussion of this important subject. But with all due deliberation I do point out to this House the inevitable consequence of passing this bill on the subject of marine insurance in the United States. Some of those marine underwriters were before our committee the other day at the hearings and made a rather inadequate showing to us.

These gentlemen stated that there are 16 companies eligible to take marine insurance right now, and would take it. I sent to the Department of Commerce, to the Bureau of Corporations, and the Bureau of Navigation and asked for all of the information which they had upon the subject of marine insurance, and



could get none. I sent to the Library and asked them to send over to my office whatever they had available on marine insurance, and they did send a barrel of stuff. Among the material was an article, "Marine insurance in the United States," by Dr. Huebner, if I am rightly informed, who conducted the investigation for the Committee on Merchant Marine and Fisheries on the subject of recent shipping combinations and contracts, so that he is admirably qualified to discuss that subject from a thoroughly disinterested standpoint. I shall cite from his article on marine insurance in the United States in my remarks, but will not take the time now to quote it. The Library also sent American Marine, by Capt. W. W. Bates, one of the old commissioners of navigation, who probably has done more than any other in his day to urge a policy of discriminating duties for the benefit of upbuilding the American merchant marine. These two gentlemen show this condition: That there are 31 companies in the United States which have the charter rights to issue marine insurance, and in past years have exercised these rights by issuing more or less marine insurance. The Library also sent over the last insurance Year-Book of 1914, the most authoritative publication now used, which gives the names of those companies, and it is correct that only 16 are actively doing business in marine insurance and would now issue war risks. The others are confining themselves principally to fire insurance. The reason why these other 15 companies are not doing business in marine insurance seems to be this, as both of these authors state: The various States are discriminating against American marine insurance companies in favor of foreign marine insurance companies in this way: The State will allow the foreign company to place only a minimum amount of securities in the United States as the basis for their payment of losses.

The result of that is that the foreign companies do much more business on the same capital investment than any American company is allowed to do, and correspondingly the foreign company pays less taxes on the amount of its business capital than does the American company. I checked these facts up as well as I could in this last number of the insurance Year Book and found it substantially true. The result is that under the policy of our States for the past few years the foreign companies have crowded out the American companies, with the exception of these 16. I found also in this insurance Year Book that there were many mutual companies doing business in Boston, New York, Philadelphia, and San Francisco, but I judged these were fire-insurance companies which did no marine business. The remaining 15 companies do principally a fire-insurance business, but they have the same capacity to do the marine business, and, of course, the mutual companies can do both if they prepare for it. This Year Book also gave a list of 40 Lloyd companies doing business last year, which Lloyd companies are based on the old Lloyd system of mutual underwriting, which probably could be applied to marine insurance at once. If it can apply to fire it equally can to marine risks, and that would require but little time for preparation. They insured about \$10,000,000 last year. Again, some of the advertising in this very Year Book is that of the underwriters' agencies, which are nothing but Lloyd concerns, which would do this very kind of business if given an opportunity, and be allowed to prepare for it. Then I notice that some of the great steamship companies do their own insuring, which would enable more war-risk insurance to be placed by our own companies on their vessels if necessary.

These facts seem to me to clearly disclose that eliminating the risks assumed by the foreign Governments on the bulk of our exports, because the foreigners purchase and secure title here, there would be abundant capital to care for the remaining risks in American vessels if it be properly marshaled and encouraged, and not driven out by hostile State and governmental action.

In addition there are seven foreign companies from neutral nations given in the Year Book which would seem to be open to this kind of business, but I am not considering them.

#### RESULTS.

The result is this, as you see: These 16 companies wish to assume and actually now do take a million dollars' worth of insurance on each average vessel and cargo. They claim that the average cargo requires a million and a half insurance—five hundred thousand more than they care to safely take. They desire that this extra insurance shall be taken by the United States, and if so, that these old foreign vessels will then register temporarily in the United States. If this Government does so, that would prevent any more American companies entering the marine insurance field. If the United States once enters this field and supplies this deficiency it would give those gen-

tlemen practically a monopoly of the existing market. These 16 companies practically have a monopoly in the American field now, and naturally desire to continue such profitable conditions. The books show that, in addition to these 16 companies now doing business, such old companies as the Richmond Fire & Marine, the Detroit Fire & Marine, the Springfield Fire & Marine, the Minneapolis Fire & Marine, the Northwestern Fire & Marine, and companies of that kind could easily write marine risks if they had the opportunity, but are more or less crowded out of the field by this very legislation we are proposing here. That is one of the evils of this measure, against which I enter protest.

Mr. Chairman, I desire to call attention to the structure of the legislation which accomplishes this purpose. Remember that insurance is not a governmental function; it is not a sovereign act of the United States. The United States Supreme Court has held several times that marine insurance is neither commerce nor the instrumentality of commerce. It is simply an incident to commerce, just the same as a promissory note or an open account or something like that; so that marine insurance can not be regulated by an act of Congress under the commerce clause of the Constitution.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STEVENS of Minnesota. I yield myself 10 minutes additional. So that marine insurance as an act or instrumentality of commerce can not be regulated by an act of Congress. Its governmental regulation must be as a part of the police power of the various States. That has been settled time and again by the decisions of the Supreme Court, which is not subject to dispute; so that this bill simply puts the United States in the insurance business just exactly on the same basis as any other insurance corporation doing the same business, with no other rights or privileges than have any other insurance corporations.

If it does business in any State, it must do such business in accordance with the laws of that State. It must accommodate itself to these laws as to capital stock and resources and reserves; it must pay the license fees; if agents are registered, they must pay the license fee; they must pay the State taxes, as provided by the State law. Now, nothing of that sort is provided for in this bill. Now, these doctrines I state are well illustrated and settled in the South Carolina Dispensary case. The Supreme Court of the United States held that the dispensary of South Carolina was not a sovereign act of the State, but an act of the State acting as a corporation doing a private business. That is exactly the same way that the United States will do business under this insurance act. The result is this, that the United States would act as a private corporation, doing a legal business only where it is authorized to do business. Now, where is it authorized to do business under this bill? Solely in the city of Washington, D. C., and nowhere else. It can not have agents outside. It can only do business here. Now, what kind of a business does it do? Sections 2 and 3 prescribe for the insurance of freight and passage moneys and cargoes to be shipped, either imported or exported cargoes. That means whole cargoes, not part cargoes—whole cargoes. The result is that when this insurance is sought for it will be applied for in the usual way in one of the great commercial cities—Boston, New York, Philadelphia, Baltimore. The gentlemen desiring insurance will go to an insurance broker and state exactly what they need, and he will go to a marine company to place it in the usual way. This company will insure the usual risks in the usual way for the market sum, and will then insure the war risk up to a million dollars, and will then reinsure such as it deems best and allot this reinsurance to those who will carry on its terms. They will then send to this bureau to insure the balance of a half a million dollars, which it is claimed the existing companies can not safely assume. That is the way this insurance will be actually done, and it is the only way it can be legally done. Insure the whole cargo through one of the other companies and place the deficiency not taken by others through the office here.

The result is you see by this cunning arrangement all competition outside of the present active lines is effectively eliminated. This method laid down in this bill gives these 16 gentlemen running these companies a complete monopoly during the existence of this legislation in the marine-insurance business in the United States.

Mr. DECKER. Will the gentleman yield?

Mr. STEVENS of Minnesota. Certainly.

Mr. DECKER. What is the condition of competition between these 16 companies now?

Mr. STEVENS of Minnesota. I do not think there is very much. I admit to the gentleman from Missouri I do not think very much, but this will make it worse instead of better.



This will eliminate competitors instead of encouraging them to enter. Now, these writers upon marine insurance all lay down this proposition. We can not have an effective merchant marine in the United States unless we have three things: First, ships; second, shipyards; and, third, American marine insurance. This bill will prevent the development of an honest American marine insurance.

Mr. MOORE. Will the gentleman yield?

Mr. STEVENS of Minnesota. Yes.

Mr. MOORE. As a matter of fact, do we not take \$5,000,000 of the money of the people of the United States, set it apart, and say to those who are engaged in a business of great hazard, "Take the risk, and, if you lose, the people of the country, to the extent of \$5,000,000, will stand the loss?"

Mr. STEVENS of Minnesota. Yes; it is that, and worse. It is worse because it accomplishes, in addition, the result I have stated. It encourages, if that business is to be done, the violation of our position of neutrality, possibly not a technical violation, but an actual violation, because it can be only done for the benefit of one class of belligerents—England, France, and Belgium.

The advantage can not be had under any circumstances by Germany or Austria. That of itself constitutes a practical, not a technical, violation of our neutral position which ought not to be tolerated by our Government. [Applause.]

Mr. CLINE. Will the gentleman yield for one more question?

Mr. STEVENS of Minnesota. Certainly.

Mr. CLINE. The gentleman stated in his remarks when he first opened the discussion that this country, being a neutral country, could not ship goods that were contraband.

Mr. STEVENS of Minnesota. We can ship anything.

Mr. CLINE. You do not get my question. That would in any way reach either one of the belligerents.

Mr. STEVENS of Minnesota. Oh, yes; our people can ship anything we please. Our people can ship absolute or conditional contraband if they wish to take their chances.

Mr. CLINE. And still maintain our neutrality?

Mr. STEVENS of Minnesota. Our citizens can ship anything, but that is not an act of the Government itself. It does not involve the Government. This does, and that is the vice of it.

Mr. CLINE. Suppose this bill should pass and the Government should send what would be an unnecessary supply of wheat to Holland to supply the local demand; is the Government bound to follow that wheat further than delivered to the consignee in order to preserve this neutrality?

Mr. STEVENS of Minnesota. No; and again, yes. As to conditional contraband the searching ships of England would have no right to go beyond the ship's papers. But if at some time conditions existed, such as the gentleman has stated, that are unnatural—that is, the ship would be outside the usual course, or the ship is carrying an unusual amount for the usual market conditions of Holland, that would be a matter of decision for the prize court and would open the question of violation of neutral rights.

Now, Mr. Chairman, I have occupied more time than I wished, and have only discussed the question, as you realize, in a superficial and cursor, way, but there is one other necessary conclusion that seems to me should be considered in connection with this legislation. This is a great emergency. We are all wondering what ought to be done under a condition new and untried. At the same time, it seems to me, before we embark upon any revolutionary step, before we attempt to put this Government into any new sphere of public activity, we should realize that it will be but the basis of other proceedings like these some time or probably in the very near future. Our action on this measure will be used as a precedent hereafter. If we sell insurance, we can similarly sell any other commodity of general use. If we sell we can equally buy and deal in any articles. We are asked to buy cotton, grain, naval stores, tobacco, silver, and what not to-morrow. I am unwilling that this Government should embark in a private business where our citizens can do it as well or better than the United States itself. I believe that this business can and will be carried on by the existing agencies better than the United States can do it. There is no need for this mad haste. There is no such emergency as warrants such a radical departure by our Government. I believe that the American crops can be moved. I believe that the American resources can be developed to meet this emergency better than this bill can do it, notwithstanding the great and overwhelming opinion of those 62 eminent gentlemen whose judgment is entitled to the utmost respect in the United States. But if we do this for them, in justice we must treat our other citizens in the South and West equally and along the same lines. One departure for private benefit, though ostensibly for public, will be quickly followed by a multitude of more important ventures.

The consequences will be evil. It will sap the integrity, energy, and initiative of our people. It will destroy their sense of personal resource and responsibility. I can conceive of few greater evils for our country and its future. But I have given to the House my best judgment upon the facts as I have found them. And I do not believe under these circumstances that this legislation should be started as a precedent for future action which may result unfortunately for our Government and eventually may impair our institutions. We can not stand still in this path. Once we enter we shall pursue it steadily and along broader lines. And for this reason, reluctant as I have been in this emergency to seem opposed to matters which are deemed essential, I feel obliged to oppose this measure. [Applause.]

Mr. Chairman, I reserve the balance of my time.

Mr. ADAMSON. Mr. Chairman, I yield to the gentleman from New York [Mr. LEVY] five minutes, or such portion thereof as he may desire to use.

Mr. LEVY. Mr. Chairman, I am one of those opposed to the Government going into any class of business; but this is an exigency of such importance that we have to break away from the rule to protect our shipping and the exportation of our products. At the present time there are a large number of vessels waiting for cargoes, but they are unable to obtain the same, as the shippers can not secure any war-risk insurance.

In the past Great Britain has been the principal insurer against war through the underwriters at London—Lloyds; but since the breaking out of the war in Europe the British Government has assumed these risks to the extent of 80 per cent, the remaining 20 per cent being insured with clubs at London—Lloyds. The rate is fixed by the Government from day to day, but it does not exceed 5 per cent per voyage on the value of the steamer.

Application for this insurance must be made to the war-risks office in London, either personally or through a London broker. Provisional value must then be fixed and premium paid on this value. The ordinary insurance risks on such cargo must be covered with marine underwriters at London—Lloyds—or with British insurance companies or other approved companies or underwriters, and claims under the Government war-risk insurance will be settled on the valuation fixed by such marine insurance, but not exceeding the provisional value declared in the application to the Government war-risks office. All reputable English or American companies will be approved, and their evidence as to insured value will be accepted as a basis for settlement of claims under the Government war-risk insurance. Losses are payable at once.

A uniform rate for all voyages is fixed from time to time by the British Government for this war-risk insurance. To-day the rate is 4.2 per cent, and at the present time there is little prospect that this rate will be changed. If the pending bill is passed, our rate will be as low as 1 per cent. There are certain prohibited areas, namely, no continental ports north of East Scheldt and no Adriatic ports.

I feel confident that after the passage of this bill the foreign-exchange situation will materially improve.

Mr. Chairman, the following is section 2 of the bill H. R. 18202, an act to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes:

SEC. 2. That the President of the United States is hereby authorized, whenever in his discretion the needs of foreign commerce may require, to suspend by order, so far and for such length of time as he may deem desirable, the provisions of law prescribing that all the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States.

I consider this particular section one of the most important to our shipping interests, and I feel confident our distinguished and far-seeing President will take advantage and declare the section operative within the next few days.

Mr. Chairman, I ask leave to print in connection herewith a pamphlet entitled "Information for American Shippers," issued by the New York Chamber of Commerce, as a part of my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Following is the information referred to:

#### INFORMATION FOR AMERICAN SHIPPERS.

The liability of goods shipped by American merchants to be captured as prizes of war depends upon a number of circumstances—the destination of the goods; the ownership of the goods, actual or presumptive, after shipment; the character of the goods, whether contraband or not; and the nationality of the carrier.

Goods shipped by American shippers to a neutral destination are exempt from capture, whether shipped on an American or other neutral ship or on a belligerent ship.

The only exception to this rule is where the goods, though shipped to a neutral destination, are intended to be transhipped or forwarded



to a hostile destination—a fact which the captor must prove in order to justify the capture.

Shipments by Americans made in good faith to neutrals in a neutral port can never be considered as contraband; it is the destination of the goods and not their character which makes them contraband.

The title to goods shipped on the basis of cost, insurance, and freight, or cost and freight, ordinarily vests in the buyer on shipment. If such goods are consigned to a belligerent port, they at once become enemy's goods as to all other belligerents, and as such are subject to capture except when carried in a neutral bottom.

The character of goods, whether contraband or not, becomes important only where the shipment is made to a belligerent port.

Contraband is of two classes, absolute and conditional. Absolute contraband is subject to capture even in an American bottom. Goods known as conditional contraband are not subject to capture in an American or other neutral or a belligerent bottom, unless destined for the use of the armed forces of or a Government department of the enemy State, or consigned to enemy authorities, or a contractor for such authorities, or to a fortified place belonging to the enemy, or other place serving as a base for the armed forces of the enemy. As, however, the prize court of the captor has jurisdiction to determine the latter question, shippers should contemplate the possibility that both classes of contraband may possibly be seized and condemned.

The latest classification of absolute and conditional contraband is contained in the declaration of London of February 26, 1909. This has been ratified by our Government, but not by the other Governments which were parties to it. It is valuable, however, as a statement of what has been heretofore regarded by experts in international law and the prize courts of certain countries as absolute contraband, conditional contraband, and exempt classes of cargo. The provisions of the declaration are these:

"The following articles may, without notice, be treated as contraband of war, under the name of absolute contraband:

"(1) Arms of all kinds, including arms for sporting purposes, and their distinctive component parts.

"(2) Projectiles, charges, and cartridges of all kinds, and their distinctive component parts.

"(3) Powder and explosives specially prepared for use in war.

"(4) Gun mountings, limber boxes, limbers, military wagons, field forges, and their distinctive component parts.

"(5) Clothing and equipment of a distinctively military character.

"(6) All kinds of harness of a distinctively military character.

"(7) Saddle, draft, and pack animals suitable for use in war.

"(8) Articles of camp equipment, and their distinctive component parts.

"(9) Armor plates.

"(10) Warships, including boats and their distinctive component parts of such a nature that they can only be used on a vessel of war.

"(11) Implements and apparatus designed exclusively for the manufacture of munitions of war, for the manufacture or repair of arms or war material for use on land or sea.

"The following articles, susceptible of use in war as well as for purposes of peace, may, without notice, be treated as contraband of war under the name of conditional contraband:

"(1) Foodstuffs.

"(2) Forage and grain, suitable for feeding animals.

"(3) Clothing, fabrics for clothing, and boots and shoes, suitable for use in war.

"(4) Gold and silver in coin or bullion; paper money.

"(5) Vehicles of all kinds available for use in war, and their component parts.

"(6) Vessels, craft, and boats of all kinds; floating docks, parts of docks, and their component parts.

"(7) Railway material, both fixed and rolling stock, and material for telegraphs, wireless telegraphs, and telephones.

"(8) Balloons and flying machines and their distinctive component parts, together with accessories and articles recognizable as intended for use in connection with balloons and flying machines.

"(9) Fuel; lubricants.

"(10) Powder and explosives not specially prepared for use in war.

"(11) Barbed wire and implements for fixing and cutting the same.

"(12) Horseshoes and shoeing materials.

"(13) Harness and saddlery.

"(14) Field glasses, telescopes, chronometers, and all kinds of nautical instruments."

It is to be understood that each belligerent has the power to declare additional articles susceptible of use in war as well as for the purpose of peace to be conditional contraband.

Great Britain has already issued her proclamation of contraband, dated August 5, 1914, which follows explicitly the declaration of London except in one respect, namely, that it transfers flying machines from conditional to absolute contraband.

The declaration of London also provides "that the following may not be declared contraband of war:

"(1) Raw cotton, wool, silk, jute, flax, hemp, and other raw materials of the textile industries, and yarns of the same.

"(2) Oil seeds and nuts; copra.

"(3) Rubber, resin, gums, and lacs; hops.

"(4) Raw hides and horns, bones, and ivory.

"(5) Natural and artificial manures, including nitrates and phosphates for agricultural purposes.

"(6) Metallic ores.

"(7) Earths, clays, lime, chalk; stone, including marble, bricks, slates, and tiles.

"(8) Chinaware and glass.

"(9) Paper and paper-making materials.

"(10) Soap, paint and colors, including articles exclusively used in their manufacture, and varnish.

"(11) Bleaching powder, soda, ash, caustic soda, salt, cake, ammonia, sulphate of ammonia, and sulphate of copper.

"(12) Agricultural, mining, textile, and printing machinery.

"(13) Precious and semiprecious stones, pearls, mother-of-pearl, and coral.

"(14) Clocks and watches, other than chronometers.

"(15) Fashion and fancy goods.

"(16) Feathers of all kinds, hairs, and bristles.

"(17) Articles of household furniture and decoration; office furniture and requisites."

In the event of the capture of a belligerent ship, the practice of nations requires that she be taken before a prize court in the country of the captor for adjudication. An exception to this rule has been recognized in cases where it may be impossible, or practically so, for the captor to take his prize to a prize court, in which event he may sink the ship. It may thus result that a neutral cargo will also be de-

stroyed. If the ship be taken into a prize court, that court determines, in accordance with its own jurisprudence, whether the cargo shall be condemned as enemy property or as contraband, or shall be released to its owner as neutral. It is evident, therefore, that the owners of goods shipped in a belligerent ship to any destination or in a neutral ship to a belligerent destination are subject to risks which they will wish to cover by insurance.

The ordinary policy of marine insurance would cover war risks in addition to the usual fire and marine risks but for the following clause:

"Warranted free from capture, seizure, and detention, and the consequences thereof, or any attempt thereat, piracy excepted, and from all consequences of hostilities or warlike operations, whether before or after declaration of war."

The risks thus excluded from the protection of an ordinary marine policy may be covered by a war-risk policy. The forms of such policies vary widely, but it is the general intent of all of them to cover such risks as are excluded from the ordinary marine policy by the terms of the foregoing warranty.

The principal risks of the owner of goods in a captured ship may be summarized as follows:

1. The cargo may be sunk with the ship, or condemned by the prize court of the captor as enemy's goods or as contraband.

The loss is not covered by a marine policy, but would be covered by a war-risk policy.

2. The goods may be lost, or damaged by reason of the ship striking a mine or otherwise coming within the range of hostilities.

The loss is not covered by a marine policy, but would be covered by a war-risk policy.

3. Goods released by the prize court as neutral may be damaged in the course of unloading, storage, or reloading.

Losses of this nature would not be covered by a marine policy, but would be covered by a war-risk policy.

4. Extra charges and expenses in connection with forwarding released goods from the port of the prize court to their original destination would not be covered by a marine policy, but would be covered by a war-risk policy.

5. The owner of the released goods may suffer loss due to a deterioration in the quality of goods owing to their inherent nature, a depreciation in price, a loss of market, or a loss of interest in consequence of delay in obtaining the release of his goods by the prize court.

Such losses are not covered either by the ordinary form of marine policy nor by a war-risk policy.

J. PARKER KIRLIN,  
CHARLES C. BURLINGHAM,  
Counsel.

NEW YORK, August 12, 1914.

Mr. ADAMSON. Mr. Chairman, how much time have I remaining?

The CHAIRMAN (Mr. SAUNDERS). Thirty minutes.

Mr. MANN. How much time has the other side?

The CHAIRMAN. Twenty-two.

Mr. ADAMSON. I yield 10 minutes to the gentleman from New York [Mr. TALCOTT].

Mr. TALCOTT of New York. Mr. Chairman, this bill is an emergency measure. War creates new risks separate and distinct from the usual marine risks and the insurance of these is necessary if ships are to move from port to port. This bill does not deal with ordinary marine insurance; only with risks arising and proceeding from the warfare existing in different parts of the world. Its effect in the main may be regulative. When a short time ago insurance upon English ships and their cargoes against risks of war became so high as to be almost prohibitive, I am informed that the English Government fixed a rate at which it would insure against these risks, and premiums asked by insurers soon fell to the level of the Government rate. This bill will render more effective the provisions of the bill passed a short time ago extending the registry of foreign-built ships. We must protect our trade if we expect to have any. And if individuals and corporations are unwilling to insure against war risks on reasonable terms, Congress must provide a way by which it can be done. This is the purpose of the pending bill.

It provides for the establishment in the Treasury Department of the bureau of war-risk insurance, the director and employees of which shall be appointed by the Secretary of the Treasury; the salary of director to be \$6,000, and of other employees to be fixed by the Secretary of the Treasury, but in no case to exceed \$5,000 per annum. All employees receiving salaries of \$3,000 or less are to be subject to civil service.

The bureau is to make provision for the insurance by the United States of American vessels, their freight, passage, and cargoes therein, against loss or damage by the risks of war whenever, in the judgment of the Secretary, it may appear that American vessels, shippers, or importers are unable in any trade to secure adequate war-risk insurance. The bureau, with the approval of the Secretary, is authorized to adopt and publish a form of war-risk policy and to fix reasonable rates of premium for the insurance of American vessels, their freight, passage, moneys, and their cargoes against war risks. The proceeds of the premiums are to be covered into the Treasury, and the bureau is further given powers, with the approval of the Secretary, to make any and all rules and regulations necessary to carry out the purposes of the act.

Further, the Secretary of the Treasury is authorized to establish an advisory board, to consist of three members skilled in war-risk insurance, for the purpose of assisting the bureau in



fixing rates of premium, adjustment of losses, and generally in carrying out the purposes of the act, their compensation to be determined by the Secretary of the Treasury. In case of disagreement as to the claim or the amount thereof between the bureau and the parties in interest, an action on the claim may be brought in the district court of the United States, sitting in admiralty, in the district in which the claimant or the agent resides.

Provision is made for the adjustment and payment of losses. Appropriation of \$5,000,000 is made for losses and \$100,000 for the establishment and maintenance of the bureau of war-risk insurance. In conclusion, it is provided that the President shall terminate the operation of the act whenever he shall find that the necessity for further war-risk insurance shall have ceased and shall abolish the bureau as soon as its work has been completed.

Now, it seems to me that the gentleman from Missouri [Mr. BARTHOLOMEW] and the gentleman from Minnesota [Mr. STEVENS] are unnecessarily alarmed in regard to the possible violation of neutrality.

In the first place, contraband covers only a portion of the exports of the country at the present time, or at any time during the past year. Outside of the articles which are contraband or conditionally contraband, and which the Governments of England and Germany have declared to be contraband, there is a vast amount of export trade. The articles which are contraband cover only a page or a page and a half of ordinary print, whereas the articles which are not contraband cover many pages of the Statistical Abstract. Take not only cotton and cotton cloths, but take also all textiles; take fruits and nuts; take leather goods, which are exported in large quantities—and all these, for the most part, are outside of the rules in relation to contraband, and all will be insurable under this bill.

Then take the regions to be reached. Why, Denmark and Norway and Sweden and Spain and Portugal and Italy, so far as Europe alone is concerned, are open to our exports—not only to the exports that are not contraband, but to the exports that would be contraband if sent to a belligerent; and this vast commerce, so far as Europe alone is concerned, will amount to millions of dollars. In addition to that, there is the trade of South America and the trade with the part of the Orient not affected by the war. So that outside of the question of contraband, outside of the zone of warfare, there is a vast amount of commerce which can be insured under the provisions of this bill.

This measure, which has been brought forward to meet the emergency existing by reason of war, is often referred to as intended to serve an opportunity for commercial advantage only. It is no doubt true it will serve that purpose. It will render commerce possible, enable the crops to move from warehouse to seaport, and from our seaports to different ports of the world; but it also presents an opportunity of a higher kind, for when privation and suffering come to many lands now involved in war, as they must come, this country will be enabled to extend the help which must be given in the cause of a common humanity.

The CHAIRMAN. The gentleman yields back the balance of his time.

Mr. ADAMSON. Mr. Chairman, I will ask the gentleman from Minnesota [Mr. STEVENS] to use some of his time.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield to the gentleman from Iowa [Mr. TOWNER].

The CHAIRMAN. The gentleman from Iowa [Mr. TOWNER] is recognized.

Mr. TOWNER. Mr. Chairman, it should be thoroughly understood just what is involved in the bill under consideration. We are asked to create as one of the bureaus of our Government an insurance department, whose duty it shall be to engage in the extrahazardous business of war-risk insurance. We are asked to appropriate \$5,100,000 therefor from the Treasury of the United States.

It is not contended that the United States as a permanent policy should engage in the insurance business. It is not argued that it will be profitable to do so. On the contrary, it is stated as a reason why the United States should undertake the enterprise that marine-insurance companies already engaged in the business are unwilling or unable to issue these war-risk policies. If it is a profitable venture, private capital would furnish the funds. If it is safe, private enterprise would take the risk. But because it is neither profitable nor safe therefore it is urged that the United States should undertake it.

NO GROUNDS FOR SUCH AN ACT.

The grounds on which this extraordinary proposal is justified are rather obscure. It is a war measure, we are told. But we

are not at war. England, France, and Belgium insure their vessels against war risk, it is said. But they are at war. They are compelled to do so, else their merchant vessels would not dare leave their harbors. Each one so venturing is liable to capture anywhere on the high seas, no matter what it carries nor for what port destined. Not so the United States. Her ships may sail on any sea. They may enter any harbor not actually blockaded. They may carry any cargo not contraband of war. They are not liable to capture unless they violate some law of neutrality.

We are at perfect liberty to trade with all the neutral nations of the world, and as to that trade there is no war risk for which insurance is needed. We are at perfect liberty to trade with any belligerent nation provided we do not deal with articles which are contraband of war. As to such trade no war-risk insurance is needed. If by the passage of this act American vessels are induced to attempt the transportation and delivery to any of the belligerent nations of articles which are contraband of war, then the Government itself will be guilty of a violation of the laws of neutrality and will involve itself with the powers at war.

#### CONTRABAND OF WAR.

It is stated by the advocates of this bill that it is not proposed to insure contraband goods. But the bill does not so provide. Such an omission is too important not to have been intended. And when it is considered that unless contraband goods are to be insured there is little need of war-risk insurance, the intent is clear that the object of the bill is to induce and guarantee the shipment of goods which are contraband of war.

Articles are contraband of war which are or may be used by a belligerent in aid of its warfare. They are not limited to arms and ammunitions, but include all articles which either inherently or by use may aid in warfare. Two classes are recognized absolute and conditional contraband. By the declaration of London, promulgated February 26, 1909, to which the United States is a party and by which Germany, Great Britain, Belgium, and France have declared they will be governed, the following are declared absolute contraband:

- (1) Arms of all kinds, including arms for sporting purposes, and their distinctive component parts.
- (2) Projectiles, charges, and cartridges of all kinds, and their distinctive component parts.
- (3) Powder and explosives specially prepared for use in war.
- (4) Gun mountings, limber boxes, limbers, military wagons, field forges, and their distinctive component parts.
- (5) Clothing and equipment of a distinctively military character.
- (6) All kinds of harness of a distinctively military character.
- (7) Saddle, draft, and pack animals suitable for use in war.
- (8) Articles of camp equipment, and their distinctive component parts.
- (9) Armor plates.
- (10) Warships, including boats and their distinctive component parts of such a nature that they can only be used on a vessel of war.
- (11) Implements and apparatus designed exclusively for the manufacture of munitions of war, for the manufacture or repair of arms or war material for use on land or sea.

The following are declared conditional contraband:

- (1) Foodstuffs.
- (2) Forage and grain, suitable for feeding animals.
- (3) Clothing, fabrics for clothing, and boots and shoes, suitable for use in war.
- (4) Gold and silver in coin or bullion; paper money.
- (5) Vehicles of all kinds available for use in war, and their component parts.
- (6) Vessels, craft, and boats of all kinds; floating docks, parts of docks, and their component parts.
- (7) Railway material, both fixed and rolling stock, and material for telegraphs, wireless telegraphs, and telephones.
- (8) Balloons and flying machines and their distinctive component parts, together with accessories and articles recognizable as intended for use in connection with balloons and flying machines.
- (9) Fuel; lubricants.
- (10) Powder and explosives not specially prepared for use in war.
- (11) Barbed wire and implements for fixing and cutting the same.
- (12) Horseshoes and shoeing materials.
- (13) Harness and saddlery.
- (14) Field glasses, telescopes, chronometers, and all kinds of nautical instruments.

It is to be understood that each belligerent has the power to declare additional articles susceptible of use in war as well as for the purposes of peace to be conditional contraband.

The declaration of London further provides that the following may not be declared contraband of war:

- (1) Raw cotton, wool, silk, jute, flax, hemp, and other raw materials of the textile industries, and various of the same.
- (2) Oil seeds and nuts; copra.
- (3) Rubber, resin, gums, and lacs; hops.
- (4) Raw hides and horns, bones, and ivory.
- (5) Natural and artificial manures, including nitrates and phosphates for agricultural purposes.
- (6) Metallic ores.
- (7) Earths, clays, lime, chalk; stone, including marble, bricks, slates, and tiles.
- (8) Chinaware and glass.
- (9) Paper and paper-making materials.
- (10) Soap, paint and colors, including articles exclusively used in their manufacture, and varnish.



- (11) Bleaching powder, soda, ash, caustic soda, salt, cake, ammonia, sulphate of ammonia, and sulphate of copper.
- (12) Agricultural, mining, textile, and printing machinery.
- (13) Precious and semiprecious stones, pearls, mother-of-pearl, and coral.
- (14) Clocks and watches, other than chronometers.
- (15) Fashion and fancy goods.
- (16) Feathers of all kinds, hairs, and bristles.
- (17) Articles of household furniture and decoration; office furniture and requisites.

It will be noted how small is the list of those things which we desire to export that is not contraband of war. Cotton is the only important item on the list. All the other articles figure lightly in our exportations.

On the other hand, nearly all the articles which we desire to sell abroad are in the contraband list. Foodstuffs and grain, clothing and manufactured articles, horses, automobiles, machinery—all these are contraband.

When the advocates of this bill say it is not intended to cover contraband of war they are, to say the least, disingenuous. If they had been perfectly frank and candid they would have told the House that if it did not cover contraband goods it would be of little value or that it was intended only to benefit the South in shipping its cotton.

But if it was not intended to carry contraband goods the bill should so provide. I shall introduce an amendment limiting the operation of the bill to goods not contraband of war. This will test the sincerity of those who have assured us that it is not intended to cover contraband goods.

#### NOT NEEDED TO MOVE GRAIN.

The plea of the gentleman from Alabama [Mr. UNDERWOOD] that ships are waiting at our ports to carry our grain abroad and are only delaying until the Government will insure them is entirely unfounded. There are ships waiting, but they are not our ships; they are the ships of France and England and other nations. They are not waiting for the passage of this bill, for this bill would not help them in the slightest degree. This bill does not propose to insure foreign ships, but only American ships. It is mere pretense to carry the idea that this bill will help the farmers sell their grain.

There are abundant ships ready and anxious to carry all the products Americans can sell abroad, and as soon as exchange and payment can be arranged there will be no difficulty in finding ships.

For the United States to carry this war-risk insurance will not facilitate the movement of grain. The grain will be carried in English or French vessels and the war risk will be carried by the respective Governments if it is consigned to their ports. If it is consigned to neutral ports outside the war zones, no war-risk insurance will be needed or taken. It is a safe proposition to leave the carrying of contraband goods to the vessels of those countries which desire the goods. We can afford to forego the carriage if we sell the goods. It is also safe to assume that if England and France desire our food products as long as they control the Atlantic and have the ships they will carry them. And as long as they control the seas we could not send our goods to Germany and Austria if we desired.

There is a great difference in its international aspects between a citizen selling to a belligerent and between a nation selling or aiding in the sale to a belligerent. While it can not be considered as a violation of neutrality for a citizen of a neutral power to sell to a belligerent, any act by which a neutral nation as such aids, assists, or in any way helps the cause of the belligerents must be regarded as an unfriendly act.

#### NEUTRALITY.

A neutral nation is one which wholly abstains from taking part in an existing war and renders no aid or service to either of the belligerent powers. We are friendly to all the European powers now at war. It is our duty not to take any part in the struggle and not to aid or help any of the warring nations. But that does not mean we are to stop all intercourse and trade with them. Neutrality does not imply that and the nations do not expect it. Our citizens may sell anything they desire to any or all of the belligerents. They may sell contraband of war, even arms and ammunition, if they take the chances of delivery and payment. Although most of the warring powers have declared grain and foodstuffs contraband of war, our people may freely sell their grain and products to any purchaser who will buy and pay for them.

But while individual citizens may do these things, the Government must not do them. International law declares:

If a neutral state, in its corporate capacity, were to engage in contraband trade, it would be regarded as an act of hostility by the injured state and would result in a declaration of war. An individual engaging in such trade does so at the risk of losing his goods by capture and confiscation. He does not, however, involve his Government in the breach of neutrality of which he is himself guilty.

If American citizens shall sell contraband products to a belligerent power, no notice of the transaction will be taken by any nation. But if our Government makes or aids such sale it will be deemed a hostile act. To insure a cargo from loss by war is to induce the shipment—is to aid in making the sale. It will be justly considered an unfriendly act by the nations opposing. There will be little chance of escaping a direct involvement if we are guilty of such a distinct breach of neutrality.

#### DANGERS WE INCUR.

It is quite likely gentlemen who support this bill do not realize the hazardous enterprise in which they ask the Government to embark. In the first place, we are asked to put \$5,000,000 of the people's money in an enterprise so doubtful and dangerous that private capital will not take the risk. Still more unwise is it for the Nation to take the desperate chance of helping one of the contestants without offending the other.

It is useless to disguise the fact that the passage of this bill will aid England, France, and Belgium at the expense of Germany and Austria. The former control the seas and will not interfere with cargoes that will help them. Their ports are nearest us and open to our ships. To give them food and clothing will be to aid them in their great struggle with Germany and Austria. But what of those great powers? They are our friends as well as Great Britain, France, and Belgium. They will have a just grievance against us. We thus may forfeit for a little gain the permanent friendship of two great nations. This we can not afford to do.

If we shall send over American-owned ships into the danger zones carrying contraband goods consigned to a belligerent port with our guaranty as a Nation against loss, what will occur? They will be stopped and searched on the high seas by the war vessels of some of the belligerent powers. If it is found that the cargo is consigned to a port of the nation to which the war vessel belongs, or to a port of one of its allies, then it is probable the ship will be allowed to continue its voyage. But in such case the nation against which the warship is battling will have a right to regard the Government-guaranteed shipment to their enemy as an unfriendly act.

If, however, the shipment be consigned to an enemy's port or to a neutral port and it was supposed the shipment had an ulterior hostile destination, the warship would not allow the vessel to proceed, and might even destroy both vessel and cargo. This would be visiting a direct loss and injury to the Government of the United States, which had insured them. If any untoward incident occurs, if any indignity to the crew be shown, if anything that could be construed as an insult to our flag should happen, then at once we are at war.

It will be noted that the danger is not confined to cargoes destined for belligerent ports. It exists as well with regard to cargoes consigned to neutral ports. Vessels may be loaded with grain or foodstuffs to Holland ports, which are neutral. But Holland ports at the mouth of the Rhine could send this grain or foodstuffs directly to the military bases of the German armies. It is a proposition of international law that cargoes of contraband articles consigned to neutral ports but destined to be from thence transferred to a belligerent are subject to seizure and confiscation. An American vessel thus laden could be stopped on the high sea, searched, and if it was thought the cargo had an ulterior hostile destination, the cargo and even the vessel itself could be destroyed.

We will be fortunate at best if during this terrible struggle we can prevent being drawn into it. More than half the world and all the great nations are involved. The warfare is on every grand division of the earth's surface except our own. It is on every sea. The thunders of its guns can be heard even on our own shores. We can hardly imagine an activity, financial or commercial, but reaches into and is affected by this conflict. It will be remembered how even a fancied insult to our flag at Vera Cruz brought us to the brink of war. It should be understood that when passions are inflamed until the war spirit dominates every faculty and for the time utterly destroys reason men will not, can not, act with prudence. If the subjects of one of the warring powers should capture an American vessel on the high seas, carrying what they, even upon insufficient evidence, considered contraband of war, it would not be at all unlikely they would commit some act that would arouse national resentment.

We can not afford such risks. We can not take such chances.

#### OUR DUTY AS A NATION.

The President wisely and in good form issued a proclamation of neutrality in which he urged upon all citizens of the United States "the duty of an impartial neutrality during the existence of the conflict."



Again, the President in an impressive address to the Nation said:

Every man who really loves America will act and speak in the true spirit of neutrality, which is the spirit of impartiality and fairness and friendliness to all concerned.

Again, he said:

The United States must be neutral in fact as well as in name during these days that are to try men's souls. We must be impartial in thought as well as in action; must put a curb upon our sentiments as well as upon every transaction that might be construed as a preference of one party to the struggle before another.

These are golden words. They were made in the spirit of the highest patriotism and the largest humanity. They are worthy of the best traditions of the high office which the President holds.

If that spirit shall pervade Congress, this bill will never be passed. If it is the duty of citizens of the United States to maintain an attitude of "impartial neutrality during the existence of the conflict," how much more is it the duty of the Government itself to do so. If it is the duty of "every man" to act and speak "in the true spirit of neutrality," how much greater is the obligation of the Nation itself to do so. If the United States "must be neutral in fact as well as in name during these days that are to try men's souls," if it must put a curb upon "every transaction that might be construed as a preference of one party to the struggle before another," it will not become a guarantor of the delivery of contraband goods to a belligerent power.

There is no doubt about what the people of the United States desire. They desire that the United States should keep out of the struggle at any cost, at any sacrifice less than that of our integrity and our honor. They also desire and pray that this cruel war shall quickly end. If we shall act with regard to those desires, we shall defeat this bill. To pass it is to invite our own entanglement. And if we shall hope to ever exercise our good offices to bring to an end this awful era of carnage and of death, we must so hold ourselves from even the appearance of partiality that no one of the nations involved can have reason to doubt our friendship.

Mr. ADAMSON. Will the gentleman from Minnesota yield some time?

Mr. STEVENS of Minnesota. Yes; I yield five minutes to the gentleman from Pennsylvania [Mr. TEMPLE].

Mr. TEMPLE. Mr. Chairman, I have noticed what I thought to be a slight confusion on the part of some of those who have spoken on this question with regard to the plain provisions of the bill. Under the title and under the various paragraphs of the bill it will provide for the insurance only of American vessels and their cargoes against nothing but the risks of war. What are the risks of war incurred by a neutral merchant ship? A neutral vessel is not subject to capture unless she is carrying contraband of war or attempting to get into or out of a blockaded port or performing an unneutral service for one of the belligerents. Now, we are assured by the chairman of the committee in charge of the bill that it is not intended to insure contraband goods nor vessels attempting to violate a blockade, and it is not intended to insure vessels that will engage in unneutral service. What war risk is there left that can be covered by this bill? Well, if there were American goods on board a foreign vessel—a belligerent subject to capture—even such goods would be in little danger, for neutral goods are not subject to confiscation; they might, however, be mishandled in loading or unloading from the captured vessel and injured in that way, and there would thus be some war risk on American goods in foreign bottoms, but this bill would not cover that risk. It proposes to insure only American vessels and their cargoes. There is, however, one risk that I have not mentioned. If our vessels are damaged by floating torpedoes, that, of course, is one war risk that might be covered by such a bill as this. But aside from some such almost accidental danger there is very little war risk to be covered by this bill, according to the declarations made by its supporters on the floor of the House.

One very great risk remains, though, which I think has not been mentioned either by the supporters of the measure or by its opponents. In this, we may suspect, is the very essence of this bill; that is, the risk to ships whose registration is of doubtful validity. This bill belongs with the act that was passed a few days ago. No American capitalist has been willing to purchase foreign-built vessels under the terms of that act, which provides for the transfer of foreign vessels to the American flag, because in such a transaction there is a very big war risk. Under the continental system of international law, as distinguished from the Anglo-American system, the transfer of vessels from enemy ownership to neutral ownership after war breaks out furnishes so strong a presumption of fraud in the neutral registry that

the vessels are captured and are taken to the prize court, where they are usually condemned. In order to make it safe for American capitalists to buy and transfer to American registry foreign-built ships, some such bill may be necessary, but there is no other war risk except the pure accident of running into a floating mine or some such thing, that can be covered by it. Our vessels carrying contraband goods will be subject to capture, but we are told that this will not apply to contraband. The bill does not say so, but the information comes to us on the floor of the House that contraband will not be insured. Now, as to the officers and crews of vessels recently transferred to American registry, they may be the same men that sailed her when she carried the flag of a belligerent power. Such men, still controlled by their sympathy and loyalty to the flag of their allegiance, might perform an unneutral service. Is it desirable to pass a bill that will cover such a risk as that?

Mr. MADDEN. Will the gentleman yield?

Mr. TEMPLE. Yes.

Mr. MADDEN. If the insurance is placed through insurance companies—

Mr. TEMPLE. The association of marine companies have announced that their rates on contraband goods will be high. Our information is that the Government will not accept any contraband goods, which relieves us from that danger.

Mr. MADDEN. I was going to ask if all the insurance is placed through insurance companies, how will we be able to stop the shipping of goods to belligerent ports?

Mr. TEMPLE. Great Britain, in operating Government war-risk insurance, reserves the right to forbid any particular voyage, and I presume the rights of the Government under this bill will be the same. I take it for granted that the conduct of officers in charge of the bureau of war-risk insurance created by this bill would be guided by ordinary common sense; but at best the new registration bill, in combination with this one, will involve us in a dangerous undertaking. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. STEVENS of Minnesota. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 12 minutes.

Mr. STEVENS of Minnesota. Will not the gentleman from Georgia use some of his time?

Mr. ADAMSON. It is our intention to have but one speech in conclusion.

Mr. STEVENS of Minnesota. Then, Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Chairman, as I view this bill, it is fraught with the gravest danger to this Nation. I fear it will involve us ultimately in the European war. My devout wish is to keep aloof from any such entanglements. This bill is intimately connected with the ship registry bill. It is virtually its sequel. The principle is now recognized in international law, and our Government agreed to it in the international naval conference of London in 1909, that no Government or person can purchase any merchant vessel of a belligerent after war begins unless it is for the purpose of being used on an entirely different route and the control in ownership has completely changed. No mere colorable transfer of title will protect the vessel on an attempted change of nationality.

Mr. UNDERWOOD. I would like the gentleman's authority for that.

Mr. STAFFORD. I have in my hand a report of that conference to which our Government was a party, which reads as follows:

#### ARTICLE 56.

The transfer of an enemy vessel to a neutral flag effected after the outbreak of hostilities is void unless it is proved that such transfer was not made in order to evade the consequences to which an enemy vessel, as such, is exposed.

Mr. UNDERWOOD. It was vetoed by the English Government before it was ever adopted.

Mr. STAFFORD. Our Government committed itself to this principle and the signatory powers submitted this rule with others for the guidance of the international prize court that was to be established pursuant to the recommendation of the second Hague conference.

Mr. TEMPLE. Will the gentleman from Wisconsin yield?

Mr. STAFFORD. Yes.

Mr. TEMPLE. The Italian Government in its war with Turkey adopted this as its policy in spite of the fact that it had not been ratified by all the powers, and Great Britain and France have announced that they intended to act on the declaration of London although not ratified.

Mr. STAFFORD. It has been accepted generally as international law since the London conference that you can not transfer a belligerent vessel to a neutral flag after the out-



break of hostilities. Prior to that conference the principle was not universally accepted, our Government having assumed a contrary position. This insurance bill is designed to throw a mantle of protection around vessels that are about to be purchased, and the principles of international law are opposed to it.

Mr. UNDERWOOD. Mr. Speaker, I dislike to see the gentleman state in the Record as an accepted principle of international law something that was never considered in international law until the very convention he refers to, and that was vetoed by the British Government.

Mr. STAFFORD. The gentleman, I fear, is mistaken; Great Britain may not have ratified it, but it did not veto it. The British Government, nor any of the various signatory powers of which the United States was one, made no reservation or exception to the full acceptance of this principle, as was the case with some other principles before the conference, but it was enunciated as the accepted principle for future guidance.

Mr. TEMPLE. In the declaration and report adopted by the conference at London they declared that they adopted this as the generally accepted principle of international law, with regard to which there is some variety of practice in the application of it. They are the generally accepted principles of law.

Mr. STAFFORD. They are accepted even by Great Britain. As to the rule of international law before this conference, I wish to read from Hall's International Law, page 505, an accepted authority, where he says:

Vessels, according to the practice of France and apparently of some other States, are, however, excepted on the ground of the difficulty of preventing fraud. Their sale is forbidden, and they are declared good prize in all cases in which they have been transferred to neutrals after the buyers could have knowledge of the outbreak of a war.

And in a note he says:

The sale of a vessel, to be good, must be proved by authentic instruments anterior to the commencement of hostilities, and must be registered by a public officer. The practice dates back to 1694.

Continuing in the text, he says:

In England and the United States, on the contrary, the right to purchase vessels is in principle admitted, they being in themselves legitimate objects of trade as fully as any other kind of merchandise, but the opportunities of fraud being great the circumstances attending a sale are severely scrutinized, and a transfer is not held to be good if it is subjected to any condition or even tacit understanding by which the vendor keeps an interest in the vessel or its profits, a control over it, a power of revocation, or a right to its restoration at the conclusion of the war.

Even admitting that the rule is not generally accepted, as I contend, that belligerent merchant vessels can not change their nationality to a neutral flag after the beginning of hostilities, it must be conceded that it is of sufficient doubt to make any such transaction questionable, and if our Government was concerned as a party it would perhaps involve us in the transaction and the dispute.

Owners of vessels flying belligerent flags to-day are naturally desirous of changing their registry to our flag if they can gain the protection of our Government for the war risk by having our Government insure them.

The purpose of this war-risk insurance bill is to impose on the Government that risk which private insurance companies refuse to take, except at very high compensatory rates. There is no need, so far as bona fide American ships are concerned, carrying noncontraband articles, whether sailing for South American ports or even to European ports, of any war risk, because there is none. They are neutral ships engaged in a proper commerce, and there is no additional risk by reason of the war. There is no war risk even as to American articles of noncontraband character when carried in an enemy's ships. It is true that those ships may be captured by an opposing belligerent power, but the neutral goods would not be liable to capture. Here is the danger of this whole thing about which we should hesitate before we plunge into this project:

Suppose the Government does insure these vessels that are of doubtful registry, and the war vessel of a foreign belligerent power would search the ship, as it has the right, and questions the nationality of the ship and the bona fides of the transfer, and holds it as a prize. Immediately this country is thrown into an uproar; feelings are aroused to a fever heat as to whether the foreign Government has that right. All this country would be immediately stirred to its depths, and it would be very difficult for us, indeed, to stem the passions that would be generated by such an act of seizure or even of search. They have the right of search. Why, then, should the Government interfere by this dubious practice when there is no need whatsoever? We can send in bona fide American vessels to any port those goods that are not contraband. Shall we adopt the policy that we should insure those vessels of dubious character, whose nationality is questioned, or those goods carried in those vessels which are contraband, merely to throw the protecting arm of the Government around it, and thus involve the Gov-

ernment in those difficulties? It has been argued that Great Britain and Belgium and France have Government war insurance. That is a different case entirely. They are to-day involved in war, and they have real war risks. All their merchant vessels and the merchandise of their merchants are liable to seizure and confiscation. We are a neutral power, and have everything to gain if we but keep cool and keep inviolate our obligations as a neutral. We have no war risks to-day, unless we launch into questionable practices and assume them. I do not want our Government to do anything that will involve us in war or which will bring us to the verge of war. Why should we do this? Why should we be precipitate? Where has the showing been made that we should undertake this very questionable practice?

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. TOWNER. Is it not true that the war risks covered by Great Britain and France are upon contraband goods that are for their own uses?

Mr. STAFFORD. It is the very purpose of the insurance as provided by Great Britain and France to cover war risks on contraband articles, and it is not the policy of this country to launch into that kind of business, for our merchants as private citizens, nor our Government as a party by insurance, should not attempt to engage in contraband commerce. Those goods that are not contraband will be carried in American vessels, or in foreign vessels, and without liability of capture in either case. Where is the showing that has been made that we as a Government should undertake this practice, which may involve us in danger at the very time when we should do all that we can to keep out of the European imbroglio?

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. SLOAN. Do not these other nations intend to protect the risk that they take by their own fleets?

Mr. STAFFORD. Oh, the bill drawn here would go to the extent of protecting these vessels when engaged in other than commerce with the United States. It would involve protecting them on their return voyage, even in case the cargo should happen to go to China. It is not certain that the transit will be merely between our country and the belligerent powers and back to this country. That is not the way these tramp vessels are chartered. They are chartered for different cargoes, and may go around the world. I think it is the policy of wisdom not to rush pell-mell into this line of activity, but to leave it to the private insurance companies. The war is barely three weeks old, and there is no such exigency confronting this Nation for us to adopt a policy that spells, I fear, loss, embarrassment, entanglements, perhaps war. Let us, even to our own commercial disadvantage, keep aloof from any practices that may even tend toward involving us in war. I wish to shun and avoid any such calamitous condition.

Mr. STEVENS of Minnesota. Mr. Chairman, I promised to grant time to two other gentlemen who do not seem to be present.

Mr. MOORE. Mr. Chairman, will the gentleman from Minnesota permit me to ask the gentleman from Wisconsin a question?

Mr. STEVENS of Minnesota. Yes; I yield further to the gentleman from Wisconsin.

Mr. MOORE. I wanted to ask the gentleman from Wisconsin a question that might have been put to other Members, but I am quite sure the gentleman can answer it, and that is whether as a matter of fact the leading beneficiaries of this insurance that we are now going to offer with the people's money would not be those great concerns heretofore doing business in foreign bottoms that have announced, since the passage of the registry bill, that they would transfer their registry from the foreign to the American flag?

Mr. STAFFORD. It is generally accepted that some of the beneficiaries of this governmental insurance proposition would be the Standard Oil Co., the United Fruit Co., and the United States Steel Corporation, which have a large number of steamers flying foreign flags at the present time, and now see it is to their advantage to turn the vessels over to American registry.

Mr. MOORE. Since this is called an emergency measure, does not the gentleman think it will be very interesting to our Democratic friends who have not heard the discussion, particularly the address of the gentleman from Minnesota [Mr. STEVENS], to know we are actually staking \$5,000,000 of the people's money out of the Treasury of the United States against risks in a hazardous business undertaken and chiefly carried on by three of the greatest corporations in the United States?

Mr. STAFFORD. We are not only staking \$5,000,000 but we are staking the very security of this Government, and I



think we should be very slow on going ahead with such a proposition. This is not a partisan question. I am viewing it from the standpoint of my duty as a patriotic American.

Mr. FUTLER. Is not there a less risk of having a war if we should adjourn and go home and quit talking? [Laughter and applause.]

Mr. HUMPHREY of Washington. Will the gentleman yield? Mr. STAFFORD. I will.

Mr. HUMPHREY of Washington. I want to call the attention of the gentleman to this fact: My information is if these companies should transfer their vessels to the American flag, they will continue to perform the same business they are now; so they would simply get the advantage of this insurance and render no aid whatever.

Mr. STAFFORD. My greatest opposition to this measure is that I fear it will lead us into war, and I want to do everything possible to keep out. I am not considering so much the money side of the proposition as I am considering the national side of keeping our Government aloof from a foreign war.

Mr. STEVENS of Minnesota. Mr. Chairman, I have no other speaker, and I ask unanimous consent to extend my remarks in the Record by inserting certain documents.

Mr. ADAMSON. Mr. Chairman, I was going to ask unanimous consent that the gentleman from Minnesota and all who have addressed the committee have permission to extend their remarks in the Record.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that all who have addressed—

Mr. ADAMSON. The request not only applies to those who have but those who may address the committee.

Mr. STEVENS of Minnesota. The committee can not very well grant that permission, although I would not raise any objection.

Mr. ADAMSON. The committee can not grant general permission to print, but it can grant permission to all who addressed the committee on a question.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that all gentlemen who have or who do address the committee upon this bill may have leave to extend their remarks in the Record. Is there objection?

Mr. KELLY of Pennsylvania. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KELLY of Pennsylvania. Would that apply to those who discussed the rule?

The CHAIRMAN. It would not.

Mr. KELLY of Pennsylvania. I would like to have permission to extend my remarks on the discussion of the rule.

Mr. ADAMSON. I will include those who spoke on the rule.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that all gentlemen who have addressed the committee upon the pending bill and all those who address the House upon the rule providing for the consideration of the pending bill may have unanimous consent to extend their remarks in the Record. Is there objection?

Mr. PAYNE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PAYNE. Has the committee power to allow gentlemen who have addressed the House on the rule to extend their remarks?

Mr. TEMPLE. That is the parliamentary inquiry I also desired to make.

Mr. ADAMSON. I do not think it has, Mr. Chairman, and I withdraw that amendment to the proposition.

The CHAIRMAN. The gentleman from Georgia withdraws that part of his request and asks unanimous consent that all gentlemen who addressed the committee upon the pending bill shall have permission to extend their remarks in the Record—

Mr. ADAMSON. Or who do address the committee.

The CHAIRMAN. Or who do address the committee. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. ADAMSON. Now, if the gentleman from Minnesota desires to recognize some one—

Mr. STEVENS of Minnesota. I think my time is about exhausted.

The CHAIRMAN. The gentleman from Minnesota has seven minutes.

Mr. STEVENS of Minnesota. I yield to the gentleman from Washington [Mr. JOHNSON].

[Mr. JOHNSON of Washington addressed the committee. See Appendix.]

The CHAIRMAN. The gentleman from Minnesota has six minutes remaining.

Mr. STEVENS of Minnesota. Then I reserve the balance of my time. The gentleman from Illinois [Mr. MANN] desired that time, but he does not seem to be here at this moment.

Mr. ADAMSON. Mr. Chairman, I yield to the gentleman from Illinois [Mr. FITZHENRY].

[Mr. FITZHENRY addressed the committee. See Appendix.]

Mr. STEVENS of Minnesota. Mr. Chairman, I yield three minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE. Mr. Chairman, it seems to me the Government of the United States is going into a very unnecessary and a very hazardous enterprise. Anyone who has ever been associated with insurance companies or with surety companies—and I have been associated with one of the latter—will understand just exactly what the Government is going into if this bill passes. First of all, a company is not to be organized as one usually is, by asking gentlemen who have the means to make an investment and take stock in order that the capital of the company may be provided, but at one fell swoop, right out of the Treasury of the United States, out of those funds which we have so often proclaimed our desire to safeguard, we are to take \$5,000,000 and stake it against the risk and perils of war upon the high seas.

We are still settling the French spoliation claims that arose 100 years ago. We are still settling claims that have resulted from every one of our own wars, and it seems needless to now involve the Treasury of the United States in this new business enterprise, with its dangerous possibilities.

I think if this whole matter were submitted to a referendum, to the man back upon the farm or the man who owns the two-story house, and they had an opportunity to clearly understand it, there would be a unanimous and overwhelming verdict against the Government taking this step. Whose money are we dedicating to this risk? Whose money are we taking directly out of the Treasury for the benefit of private individuals who are putting their business upon the high seas? We are taking the taxpayers' money; we are taking the money raised by the tariff, the money raised by other methods; that ought to be applied to purposes in this country which sorely need it, and we are staking it in a game of chance; against the risk of running upon a foreign mine or of having American commerce seized because a daring captain has placed upon a ship goods that are contraband. We are inviting trouble and claims that might operate against this country for years. Indeed, we are staking the people's money against all sorts of unforeseen conditions, and we are doing it without giving the people a chance to know for whom it is being done.

Sixty-two gentlemen who came down from New York City, we are told, asked for this measure. They were headed by one gentleman whose name is well known in all civic movements, and those 62 gentlemen, possibly from Wall Street, which we heard so berated in this House only a few months ago, had sufficient influence with the Secretary of the Treasury and the President of the United States to induce the great Democratic Party to reverse itself as the special champion of the people and take the people's money, which they boasted they were best able to protect, and risk it against the most hazardous business in which men can engage. [Applause.]

Mr. ADAMSON. Has the gentleman from Minnesota [Mr. STEVENS] exhausted his time?

Mr. STEVENS of Minnesota. I yield to the gentleman from Kentucky [Mr. LANGLEY].

[Mr. LANGLEY addressed the committee. See Appendix.]

Mr. STEVENS of Minnesota. Mr. Chairman, I yield the remainder of my time to the gentleman from New York [Mr. PAYNE].

Mr. PAYNE. Mr. Chairman, how much time have I?

The CHAIRMAN. Two minutes.

Mr. PAYNE. I can only say this, that I voted against the bill that was passed here a week or two ago opening up the registry to ships to be bought hereafter by Americans after a war had been declared which involved all Europe. I voted against that because I thought the tendency was to entangle us in that war. I have not changed my mind. Now this bill follows, providing for insurance by the United States of American vessels, the very vessels that could be bought after war was commenced, and registered under the American flag, under some sort of pretense and fraud, and guaranteeing, as it were, the title of those vessels and the legality of those vessels flying the American flag. I can not go to that extent. It is not necessary. There are vessels enough now to carry all the crops, including your cotton crop, the foundation of all this agitation. The cotton crop is to be cared for first; provision is to be made to float that; and then they added in another place, what? Naval



stores and tobacco. I am unwilling, as much as I love my southern brethren, to chance war with all Europe or half of Europe for the purpose of facilitating the transportation of your crops to the market of the world. And for these reasons—I wish I had more time to state them, and I may take advantage of the permission to extend remarks in the Record—I am opposed to this bill and shall cheerfully vote against it. [Applause on the Republican side.]

Mr. ADAMSON. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. Twenty-six minutes.

Mr. ADAMSON. Mr. Chairman, I yield that time to the gentleman from Alabama [Mr. UNDERWOOD]. [Applause on the Democratic side.]

Mr. UNDERWOOD. Mr. Chairman, I am always glad that I belong to a party that is ready to face an emergency that confronts this Government. I do not believe in "little Americans." I believe in those men who are broad-gauged Americans, who are willing to face every issue—commercial, moral, or political—that confronts the country and attempt to decide it aright in the interests of the American people. [Applause on the Democratic side.]

This question is no idle dream, to be scoffed at or played with. For more than a week American ships, laden with American cargoes, have been in our ports, flying the American flag, prepared to carry the commerce of this country beyond the seas, and have been unable to sail because they could not get the insurance which the men who own the cargoes or who finance the cargoes demanded before the ships left our ports. Days ago unanimous consent was asked in this House for the consideration of this bill, and objection came from the leader of the minority party, clearly, from what I have heard to-day, voicing the un-American sentiments of his own party. [Applause on the Democratic side.]

This emergency confronts the country. The Republican Party is not responsible. The country has placed the responsibility in the hands of the Democratic Party to take care of this Government and its people. We would be glad to have the gentlemen on that side cooperate with us in this emergency, if they desired to do so. I am glad that I belong to a party that is ready and willing to face the emergencies that confront the country and to relieve its embarrassments, both to its commerce and its people. [Applause on the Democratic side.]

Now, what is this proposition? There is nothing that is very unusual about it. It is an effort to provide war insurance to American ships and American cargoes. There are no insurance companies abroad that are carrying the war risks of their own countries. The insurance societies of Great Britain to-day are carrying only 20 per cent of the war risks of that country, and 80 per cent of the war risks are carried by the Government of Great Britain. The same is true in a greater or less degree of the other countries of Europe; and it was only yesterday that I read the orders upon which the war risks of England are issued, and those war risks are issued only to their own ships and their own cargoes. So that if you do not pass this bill, you have no place to turn to insure your own ships and your own cargoes, except to a few American companies which, as the gentleman from Minnesota [Mr. STEVENS] has told you, say they have not the necessary capital and have not the commercial standing on which they can safely take this risk.

Do you want to force the people of your own country to assume insurance from companies that say themselves they have not the capital to safely grant that insurance? Other great Governments of the world are willing to take care of their people and their trade and their commerce in an emergency of this kind. Has the day come, even if our friends on the other side of the aisle are unwilling to rise to the necessities of this emergency, when the great Democratic Party, that has always been American, that has always stood for the interests of the American people, has not the courage to stand here and risk a few million dollars of the people's money in order that our crops, our cotton and corn and wheat, may go abroad and bring back gold to the people of the United States?

Mr. MADDEN. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. Does the gentleman from Alabama yield to the gentleman from Illinois?

Mr. UNDERWOOD. Not at this time.

Now, what does this insurance mean? A gentleman says that this bill does not intend to insure contraband of war, and surely he is right about it. It surely does not intend to insure contraband of war. But does that mean that some foreign ship captain may not say to an American captain, "Your cargo is contraband of war," whereas when it left the port it was not con-

traband of war? Suppose we load a ship that belongs to an American citizen with wheat destined for Stockholm, in Sweden, and as it goes through the North Sea a belligerent fires a shot across its bows and makes it come to, and says that wheat is contraband of war. Are not our cargo shippers entitled to insurance against it? Aye, more, whether they are insured or not?

Mr. MADDEN. Will the gentleman yield to me for a question, Mr. Chairman?

Mr. UNDERWOOD. Not now.

Mr. MADDEN. I would like to ask the gentleman one or two questions. He has made some statements that are subject to dispute.

Mr. UNDERWOOD. If that cargo is stopped and the cargo is not contraband of war, I want to know if there exists in this country still an un-American spirit of surrender that will not protect that American cargo or that American ship?

Mr. MADDEN. Will the gentleman yield right there?

Mr. UNDERWOOD. No; I do not yield. I am for peace, but I am for honorable peace. I believe that this country and every American citizen should do all that is in their power to protect the neutrality of this Government and our transactions. But I have not reached the point where I am unwilling to protect the rights of an American citizen and the American flag and American commerce in their rights on the high seas or at home. [Applause.]

Now, why do these men demand insurance? It is not to insure contraband of war, but it is to insure cargoes against the possible belligerent and unjustifiable act of a nation at war.

Mr. GOLDFOGLE. Will the gentleman pardon a suggestion? Ships have been sunk by floating mines.

Mr. UNDERWOOD. Certainly. There are many war risks that may occur that are not involved in our carrying contraband of war or violating any of the acts of neutrality. You can not ship cargoes without insurance. Why? Because almost every man who ships a cargo must borrow the money. He either has a draft on a foreign country, or the middleman who has bought the cargo has borrowed the money until he gets it into the foreign port. The man who lends the money is not willing to lend it in a hazardous enterprise without he is insured against all risks.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. UNDERWOOD. I do not.

Mr. MADDEN. I should like to ask the gentleman a question or two.

Mr. UNDERWOOD. My friend from Illinois is one of the most delightful gentlemen in this House, and I love to converse with him, but my time is limited now, and I desire to carry on our conversation at some other time.

Mr. MADDEN. The gentleman is misleading the House so much—

Mr. UNDERWOOD. I am not misleading the House. No man in this House knows better than the gentleman from Illinois—because he is a great business man—that business can not be done without insurance.

The question then comes, with no insurance that you can get abroad for war risks, with the insurance companies in this country saying that they have not the capital or the ability to carry these war risks: Must you say that the only way that your corn and your cotton and your wheat can go abroad and bring back gold to America is to carry them in a British vessel, sell them to a British merchant before they leave our port, as suggested by our friends on the other side, limit our sales to British merchants, because they are the only ships sailing the seas to-day which are in our ports; take their price for it, put it in their ships, and limit our commerce in that way? Why, there are neutral countries that will buy cotton and corn and wheat and our other exports. Must we limit our commerce merely to the demands of Great Britain because Great Britain owns the ships that can carry them on the seas? Must we say to the cotton farmer of the South and the wheat grower of the North that an American Congress is too cowardly to take care of their interests, and that when their wheat and their cotton go abroad they must take their insurance from the British Government at the high war-insurance rate of a belligerent power instead of the much lighter insurance that their own Government can guarantee to them in this way? It seems to me that there can be no question about it.

Now, so far as I am concerned, I do not believe in the Government of the United States engaging in business. I am one of those who would keep the Government of the United States as far removed from business as possible. I believe in giving a free and fair opportunity to all business men, as long as they conduct their business fairly and justly, to handle the business



of this country and enjoy its profits. But there are days that come in the lives of all nations and all peoples when the ordinary rules of Government and the ordinary rules of commerce can not apply.

The gentleman from Minnesota [Mr. STEVENS] tells you that we have plenty of ships to move this commerce; that what we need is somebody to buy our merchandise. Why, the gentleman from Minnesota is talking in the hour and not of the days to come. Everybody understands that to-day foreign exchanges are unsettled; that we can not afford to sell our goods abroad on exchange; that we must demand gold; but everybody knows that the great belligerent powers abroad must be fed by this country if this war lasts any length of time, or they will starve; and they must give their gold for food as well as for arms, and the day is not far distant when they will be compelled to do it. This difficulty of foreign exchange will rapidly be removed. It is not more than three weeks since this condition first arose. No one can predict how long this war will last. Let me call your attention to this fact: The gentleman says you have plenty of ships to carry your cargoes to Europe and other countries. If I recollect the figures aright—and I put them into the RECORD not many days ago—of the cargoes that were carried to Europe last year 86 per cent of American cargoes were carried in vessels of countries that are now engaged in this war. Less than 2 per cent were carried in American vessels, and only 14 per cent in the vessels of nonbelligerents.

Of course these nonbelligerent countries may have these ships diverted in other channels that are equally as profitable, if not more so. Norway has to carry her ships across the North Sea, with all the present dangers, and it may keep some ships at home.

But conceding that we have the full 14 per cent of nonbelligerent ships to carry cargoes to Europe at present, and that we get a reasonable proportion of Great Britain's ships—and Great Britain last year carried 51 per cent of our cargoes, while a great many have been diverted for war purposes—suppose we get half, which would be 25 per cent, added to the 14 or 15 per cent of nonbelligerents, and that gives you 40 per cent of last year's carrying capacity. You know that Germany and France and Austria practically have no merchant ships on the sea. There is 60 per cent of last year's carrying capacity of American commerce that has to be provided for. You have got to provide for it yourself if you want it to move. If you do not move it, you bring about one of the most calamitous conditions with which this country has ever been confronted. If you fail to sell your surplus wheat, cotton, and corn to the nations of the world that need it because you have not the ships or the insurance with which to do it, you bring a panic upon this country. On the other hand, if you are willing to stand up to your responsibilities, to face the issue and laugh to scorn the arguments such as we have listened to within the last half hour, that some of these ships that are to move the cargoes belong to the great corporations of this country, and therefore should be tabooed, and that we should not give them insurance in which to carry our constituents' goods, you will avert that calamity. I am thankful to say that I do not believe that those arguments will appeal to the reason of the men who hold allegiance to the great Democratic Party of this country. I believe, and have always believed, in building up the American merchant marine. I believe it is just as great a folly for the country to run its business without ships to carry its commodities on the seas as it would be for a great department store to run its business without wagons to deliver its goods.

But that is not the sole question here. I am in hopes that the day is not distant when the American flag will be seen flying above an American merchant marine in every port of the civilized world. [Applause.] But that is not the question that confronts us to-day. Your people and my people are distressed. A condition of war with which they have had nothing to do has brought this distress upon them. It is your business and my business as their Representatives to stay here and remedy these conditions so far as the law of the land can remedy them, and the most important proposition that confronts them is the movement of their surplus crops across the seas of the world.

Now, as I said in the beginning, they can not get the war insurance from foreign countries because they will not grant it to other ships than their own. The gentlemen who appeal to you to defeat this bill come here and tell you that men who issue American insurance say they can not carry the risk themselves and that they must have help. They would have you believe that these men who are engaged in the insurance business in the United States are moved by no greater motive at this emer-

gency in their country's history than the selfish motive of trying to create a monopoly for their own interest.

Do you believe it? Does anybody believe it? Where do they create any monopoly? The door is wide open to-day to organize as many insurance companies as you can get capital to organize. The fact is that American insurance companies that place commercial risks at sea have usually reinsured in foreign companies because they did not have the capital themselves to carry the risk, and although they might write a risk of half a million dollars in their own name their usual practice was to reinsure 60 per cent in foreign insurance companies, mostly in the insurance companies of Austria and Great Britain. And yet these gentlemen of un-American spirit would have you keep all doors closed to them. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired, and the Clerk will read.

The Clerk read as follows:

*Be it enacted, etc.,* That there is hereby established in the Treasury Department a bureau to be known as the bureau of war-risk insurance, the director and employees of which shall be appointed by the Secretary of the Treasury; the salary of the director shall be \$6,000 per annum, and the salaries of the other employees shall be fixed by the Secretary of the Treasury, but in no case to exceed \$5,000 per annum for any employee: *Provided*, That all employees receiving a salary of \$3,000 per annum or less shall be subject to the civil-service laws and regulations thereunder.

Mr. ADAMSON. Mr. Chairman, that concludes the reading of the first section, as I understand it.

Mr. STEVENS of Minnesota. Mr. Chairman, there are some amendments that gentlemen desire to offer to-morrow, and I want it understood that this section is left open to amendment.

Mr. ADAMSON. If it is the wish of the gentleman, I will move that the committee do now rise.

Mr. STEVENS of Minnesota. Yes.

Mr. ADAMSON. If I can get the gentleman from Pennsylvania to agree not to make points of no quorum to-morrow—

Mr. BUTLER. I will make no promises.

Mr. ADAMSON. Then, Mr. Chairman, with prayerful requests to all brethren to be here in the morning, so as to deprive the gentleman of the pleasure of defeating 45 minutes of our time, I move that the committee do now rise.

Mr. BUTLER. It is not a pleasure. It will be a pleasure to have you gentlemen attend to your duty and enforce the rule that you passed last Tuesday.

The CHAIRMAN. It is the understanding of the Chair that it will be in order to offer amendments to the first paragraph of the bill to-morrow.

Mr. ADAMSON. That is what I understand.

Mr. STEVENS of Minnesota. Yes.

The CHAIRMAN. That is the understanding of the Chair, and he will so hold. The question is on the motion of the gentleman from Georgia that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARRETT of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (S. 6357) to authorize the establishment of a bureau of war risk insurance in the Treasury Department, and had come to no resolution thereon.

#### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. BROWNING, indefinitely, on account of serious illness.

To Mr. VARE, on account of the illness of Mrs. Vare.

To Mr. STOUT, indefinitely, at the request of Mr. EVANS, on account of sickness.

To Mr. TAYLOR of New York, on account of the dangerous illness of his wife.

#### ADJOURNMENT.

Mr. ADAMSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 5 o'clock and 41 minutes p. m.) the House adjourned until to-morrow, Saturday, August 29, 1914, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting the report of the commanding officer of Watertown Arsenal of "Tests of iron and steel and other materials for industrial purposes"



made at that arsenal during the fiscal year ended June 30, 1914 (H. Doc. No. 1399); to the Committee on Military Affairs and ordered to be printed, with illustrations.

2. A letter from the president of the Civil Service Commission, submitting paragraph to be inserted in the next appropriation bill presented to the House for contingent expenses of the Civil Service Commission (H. Doc. No. 1156); to the Committee on Appropriations and ordered to be printed.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. RAKER: A bill (H. R. 18554) for the erection of a public building at the city of Alturas, State of California, and appropriating moneys therefor; to the Committee on Public Buildings and Grounds.

By Mr. TAYLOR of Colorado: A bill (H. R. 18574) to amend an act entitled "An act granting to the city of Durango, in the State of Colorado, certain lands therein described for water reservoirs," approved March 1, 1907; to the Committee on the Public Lands.

By Mr. HENRY: A bill (H. R. 18575) providing for the issuance of circulating notes to the producers of cotton, extending the benefits and provisions in the emergency currency act to State banks, and for other purposes; to the Committee on Banking and Currency.

By Mr. BARTHOLDT: Resolution (H. Res. 610) in relation to alleged violations of the neutrality of the United States; to the Committee on Foreign Affairs.

By Mr. CARY: Resolution (H. Res. 611) directing the Attorney General of the United States to take steps to protect the public from the manipulators of prices of foods, especially the prices of wheat and flour; to the Committee on the Judiciary.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARY: A bill (H. R. 18576) authorizing the President to reinstate Francis Patrick Regan as a second lieutenant in the United States Army; to the Committee on Military Affairs.

By Mr. GARD: A bill (H. R. 18577) granting a pension to Robert B. Smith; to the Committee on Pensions.

Also, a bill (H. R. 18578) granting a pension to Harvey O. Zerbe; to the Committee on Pensions.

Also, a bill (H. R. 18579) granting an increase of pension to Franklin T. Randall; to the Committee on Invalid Pensions.

By Mr. GRAY: A bill (H. R. 18580) granting a pension to Edward Walker; to the Committee on Pensions.

Also a bill (H. R. 18581) granting an increase of pension to James Farr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18582) granting an increase of pension to John W. Hudelson; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Connecticut: A bill (H. R. 18583) granting a pension to David Cromwell; to the Committee on Invalid Pensions.

By Mr. LESHER: A bill (H. R. 18584) granting an increase of pension to John A. Sipe; to the Committee on Invalid Pensions.

By Mr. LONERGAN: A bill (H. R. 18585) granting an increase of pension to Adelaide F. Brewer; to the Committee on Invalid Pensions.

By Mr. MORRISON: A bill (H. R. 18586) granting an increase of pension to Andrew J. Dean; to the Committee on Invalid Pensions.

By Mr. TEN EYCK: A bill (H. R. 18587) granting a pension to Mary Shields; to the Committee on Invalid Pensions.

By Mr. DONOHUE: A bill (H. R. 18588) granting a pension to Christiana Hoffman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18589) granting a pension to Mary Coffee; to the Committee on Invalid Pensions.

By Mr. PATTON of Pennsylvania: A bill (H. R. 18590) for the relief of W. E. Peterson; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BRUCKNER: Petition of the New York State Retail Jewelers' Association, favoring the passage of the Owen-Goeke

bill, to eliminate time guaranty on gold-filled watchcases; to the Committee on Interstate and Foreign Commerce.

Also, petition of H. Planten & Son, Brooklyn, N. Y., protesting against increase of tax on alcohol; to the Committee on Ways and Means.

By Mr. BUTLER: Petition of druggists of Chester, Delaware County, Pa., favoring passage of House bill 13305, standard-price bill; to the Committee on Interstate and Foreign Commerce.

By Mr. DONOVAN: Memorial of Connecticut Society of Civil Engineers, favoring the Newlands amendment to the rivers and harbors bill relative to commission to study, etc., irrigation; to the Committee on Rivers and Harbors.

By Mr. GORDON: Petition of citizens of Cleveland, Ohio, protesting against tax on cigars; to the Committee on Ways and Means.

By Mr. GRAY: Papers to accompany House bill 18581, a bill granting an increase of pension to James Farr; to the Committee on Invalid Pensions.

Also, papers to accompany House bill 18580, a bill granting a pension to Edward Walker; to the Committee on Pensions.

Also, papers to accompany House bill 18582, a bill granting an increase of pension to John W. Hudelson; to the Committee on Invalid Pensions.

By Mr. HOUSTON: Petition of sundry citizens of the fifth congressional district of Tennessee, protesting against national prohibition; to the Committee on Rules.

By Mr. JOHNSON of Washington: Petition of sundry citizens of Port Angeles, Wash., protesting against national prohibition; to the Committee on Rules.

By Mr. KENNEDY of Rhode Island: Petition of Rev. J. H. Roberts, of Greenville, R. I., favoring national prohibition; to the Committee on Rules.

By Mr. LEVY: Memorial of members of the American Optical Association, favoring the passage of the Stevens bill, H. R. 13305; to the Committee on Interstate and Foreign Commerce.

Also, petition of H. Planten & Son, Brooklyn, N. Y., protesting against increase of tax on alcohol; to the Committee on Ways and Means.

Also, petition of John A. Abel, New York City, favoring passage of Newlands river-regulation bill; to the Committee on Rivers and Harbors.

Also, petition of National Employment Exchange, New York City, relative to a national employment bureau; to the Committee on Labor.

Also, petition of New York & New Jersey Dry Dock Association, protesting against opening indiscriminately navy yards for repair of private vessels; to the Committee on Naval Affairs.

Also, petition of D. R. K. Staatsverbund of New York, protesting against national prohibition; to the Committee on Rules.

By Mr. LONERGAN: Petition of Connecticut Society of Civil Engineers, New Haven, Conn., favoring the Newlands amendment to the river and harbor bill; to the Committee on Rivers and Harbors.

By Mr. MADDEN: Petition of citizens of Chicago, Ill., protesting against any change in the flag; to the Committee on the Judiciary.

By Mr. MAGUIRE of Nebraska: Petitions of business men of Douglas, Cook, Salem, and Weeping Water, Nebr., favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. RAKER: Petition of E. J. Lawless, Sisson, Cal., favoring the passage of House bill 13305, Stevens standard-price bill; to the Committee on Interstate and Foreign Commerce.

Also, memorial of Federal Council of Churches of Christ in America, relating to war conditions in Europe; to the Committee on Foreign Affairs.

Also, petition of National Child Labor Committee, favoring the passage of House bill 12272, to prevent interstate commerce in the products of child labor; to the Committee on Labor.

Also, petitions of Sheet Metal Contractors' Association, Master House Smiths' Association, and Building Trades Association, all of San Francisco, Cal., protesting against the passage of the Clayton antitrust bills under present conditions; to the Committee on the Judiciary.

By Mr. SAUNDERS: Petitions of J. A. Burgess and others, relative to special committee to investigate the personal rural credit bill; to the Committee on Banking and Currency.

By Mr. VOLLMER: Petitions of Michael Behan and 26 others, protesting against House joint resolution 168 and all similar measures introduced in Congress; to the Committee on Rules.